

West faces new Bosnia débâcle

Ed Vulliamy and Ian Black

THE WEST is heading for a new débâcle in Bosnia, according to a leaked United States document which concludes that the Dayton agreement which ended the war last autumn is rapidly falling apart.

The draft report, compiled by America's top intelligence analysts, warns President Bill Clinton and his allies that optimism about Dayton is misplaced, and that elections due in September will create a country as bitterly riven along ethnic lines as at any time during the war.

US intelligence sources yesterday called the paper "the most important of its kind" since a CIA report in 1990 warned that Yugoslavia faced a bloody break-up. That report was ignored with disastrous results.

The leaked draft says the Dayton plan is collapsing in the face of the continued defiance of indicted war criminals, notably the Bosnian Serb president, Radovan Karadzic, charged by the Hague tribunal with genocide.

It concludes that the Muslim-Croat federation brokered by the Americans in 1994 has become a meaningless farce, with the two groups preparing for bloody confrontation.

The report throws doubt on whether elections can take place on schedule and raises the most fundamental question of all: what will happen in Bosnia if the US-led Nato peacekeeping troops leave as planned at the end of the year.

Strains within the Atlantic alliance over what to do in Bosnia have begun to reappear in public. Last week, Richard Holbrooke, the bombastic architect of Dayton, once again accused America's European allies of undermining his plan through indifference.

Pressure mounted yesterday across the alliance for the delivery of Mr Karadzic to the Hague tribunal to face charges of genocide, with the Foreign Office entering the fray with unprecedented gusto.

Senior British officials said they were prepared to support anti-Karadzic Serbs in what is becoming a ferocious internal power struggle.

A summit in Florence next month is due to assess the Dayton plan midway through its mandated year of implementation. The report challenges the Clinton administration's public satisfaction with the plan's progress.

The report focuses on the Bosnian elections, which President Clinton is keen to push ahead with, so he can go to the polls himself in November with Bosnia as a trophy.

The report judges that Bosnia has no chance of returning to anything other than the ethnically-based parties that were welded together during the slide to war in 1991.

The report says the political leaders of all three communities are intent on entrenching their own ethnic power-bases, and their authority would be dissipated by a multi-ethnic state.

An intelligence source in Washington told the Guardian that the report, summarised in the New York Times, was "a draft, not the final thing, and wouldn't have leaked out unless its authors were worried that it might not end up looking like that".

A former US senior policy maker said the report was part of a campaign by the CIA and other agencies to convince Mr Clinton to avert a bloody débâcle by delaying the elections, and tying them in with the war crimes issue.

The official said the intelligence agencies wanted to point out that "you can't hold elections while the criminals and their henchmen are still running the show. An election that returns war criminals or their puppets is a train-wreck, not a triumph".

Uproar as death rider escapes jail

Alex Bellos

THE family of a charity worker run over by Nicholas Bonham, deputy chairman of Knightsbridge auctioneers Bonhams, caused angry scenes at the Old Bailey yesterday when he was cleared of causing death by dangerous driving. He was fined £500 and disqualified for 12 months after admitting careless driving.

Steve Franklin, whose father Eric was hit by Bonham's BMW motorcycle, shouted "You are going to die," as police officers moved in to protect the defendant.

Mr Franklin added: "We are the lower classes, the likes of us would be locked up."

His sister tried to get to Bonham, a friend of the Prince of Wales, and said: "Bastards like you don't get justice. You killed my dad and he was our only parent."

Bonham had to leave the court through the cells area to avoid Mr Franklin's relatives. Mr Franklin never regained consciousness after the accident on a pedestrian crossing in Battersea Park Road in Battersea, south-west London, last September. He died two days later in hospital from skull and brain injuries.

Judge Paul Collins told the court that he sentenced on the basis that Bonham had been acquitted of causing death by dangerous driving but had admitted from the outset that he drove without care and attention. He said he bore in mind the "precise nature" of the charge.

He said: "I cannot attempt to measure the value of life which has been lost by the result of your driving without due care and attention. That would be quite wrong on a charge of driving without due care and attention."

But he added it was a bad case of careless driving and Bonham's response to the possibility of a pedestrian on the crossing was "quite inadequate".



Nicholas Bonham... upset but 'the result is right'

He took into account Bonham's "excellent character and that you showed remorse from the moment the impact took place". The judge also accepted that Bonham, aged 47, had suffered the effects of his careless driving, but added it was nothing to that which Mr Franklin's family had sustained.

Mr Franklin, aged 59, a retired lorry driver and father of four, had worked voluntarily at a Sue Ryder charity shop. He had 11 grandchildren and was understood to have been planning to move to Somerset.

Timothy Langdale QC, defending, said that Bonham had been caused both anxiety and stress by the accident. He had to take sleeping pills now and his hair had gone grey.

Bonham had told the jury in evidence that he had seen Mr Franklin on the pedestrian crossing. He had been travelling at a sensible cruising speed. Outside the court, Bonham said: "The whole thing has been a tragic accident and I am distraught at what happened. I think the result is absolutely right and I am pleased for that. But I am very sad for the Franklin family and I know what they are going through."



Actor and comedian Stephen Fry mixed frank revelations with witty self-deprecation during yesterday's launch in London

Enter Fry, centre stage, for bravura performance on depression and suicide

Gary Younge

THE Samaritans had wanted to talk about suicide but were beginning to fear the worst. Half an hour after the scheduled starting time and actor and comedian, Stephen Fry, had still not turned up. They kept the coffee flowing, but were running out of biscuits. They had just

resorted to nervously rearranging the mineral water on the empty stage, when a self-effacing Fry entered, centre stage, to deliver a bravura performance to launch the charity's week-long effort to promote its work. Mixing very frank revelations about his state of mind last year, when he walked out of a West End play, with witty self-deprecation, Fry, aged 37,

said if he had his time again he would "call the Samaritans instead of picking up a cross-Channel ferry ticket". He did not call the Samaritans because as a celebrity he did not feel he would be treated with anonymity, but now recognised that attitude was "a steaming pile of pants". His time away left him seriously contemplating suicide, he said. "I think the only

thing that stopped me was the knowledge of the devastation it would cause to my family. It was the only bit of reason, the little voice in my head, which did not desert me. I did feel it was the nearest thing. I cannot understand it now. It is inexplicable."

Reason has nothing to do with it. "There is no logical explanation for despair," he said. "You can no more reason yourself into cheerfulness than you can reason yourself an extra six inches in height. You can only be better prepared."

The Samaritans, who counsel people about suicide and mental illness, say 100,000 people a year attempt suicide in Britain, and nearly 7,000 succeed. "This represents about one death every 75 minutes and

leaves a death toll 25 per cent higher than those killed in road accidents," said Simon Aronson, the charity's chief executive, who introduced its report, Challenging the Taboo.

It showed the most common reason for suicide was the break-up of a relationship, followed by work or study problems, alcohol, finances, social isolation, housing, health and sexual abuse. But even though one in four people has been affected by suicide, more than a third believed depressed people should just "pull themselves together".

The least sympathetic to suicide and depression were the very young, the old and men. "Men would rather take their trousers off in public when they're drunk than open the shield of their hearts when they are sober," said

Fry. Ironically, the survey showed the risk of suicide was highest in men aged under 25 and those aged over 65.

Fry, who is finishing a novel and preparing to play the lead in a film on Oscar Wilde's life, attempted suicide when he was 16. "I swallowed a cocktail of tablets that made me projectile vomit so hard it hit the ceiling and woke up my brother in the next room"

"It's like living in Florida where there may be another hurricane which will blow the house down. But this time I've built my house slightly more strongly... I hope."

Black tipped for top US navy job

Martha Walker in Washington

AN AFRICAN American was tipped yesterday as President Bill Clinton's likely choice to replace Admiral Jeremy "Mike" Boorda, who committed suicide on Thursday to spare the navy a scandal over his wearing of medals he had not earned.

Admiral J. Paul Reason, promoted recently to command the Atlantic fleet, was one of the three main contenders for the task of restoring the battered morale of the navy. He would be the first African American to hold the top navy job - chief of naval operations.

Adm Reason specialised in nuclear engineering, became naval aide to President Jimmy Carter, and made his career commanding surface ships and in the navy's policy-strategy staff.

The other main candidates are Admiral Leighton Smith, Nato's southern commander in the Mediterranean and in charge of the Bosnia mission, and Admiral William Flanagan, the previous commander of the Atlantic fleet.

In his two suicide notes, Boorda said he was taking his life to spare the navy a scandal based on his "honest mistake" of wearing combat insignia to which he was not entitled. The insignia were two metal clasps attached to a cloth medal in the shape of a V. It stands for valour, and means the medal was earned in the face of hostile fire.

Hearing that Newsweek reporters were coming to see him about his right to wear the medals, Boorda suddenly cancelled lunch and a meeting, and went home to shoot himself in the chest with his son-in-law's 38 pistol. "Within the military, this is a big deal," said Roger Charles, who works for the National Security News Service, which first investigated the admiral's right to the medals. "Once that story ran, I can't imagine how he would

face the other service chiefs." In an unrelated incident, the independent newspaper Navy Times ran an anonymous letter this week saying Boorda should resign. "Every officer from four star to the newest midshipman at the academy has no respect for the man at the top," it said.

Boorda, the first enlisted man to rise to command the US Navy, has grappled with only moderate success with the force's problems. The 600-ship navy of the Reagan years is now only half that size. It has faced a cheating, drug dealing and car theft scandal at the celebrated Naval Academy, and the after-shocks of the Tailhook scandal.

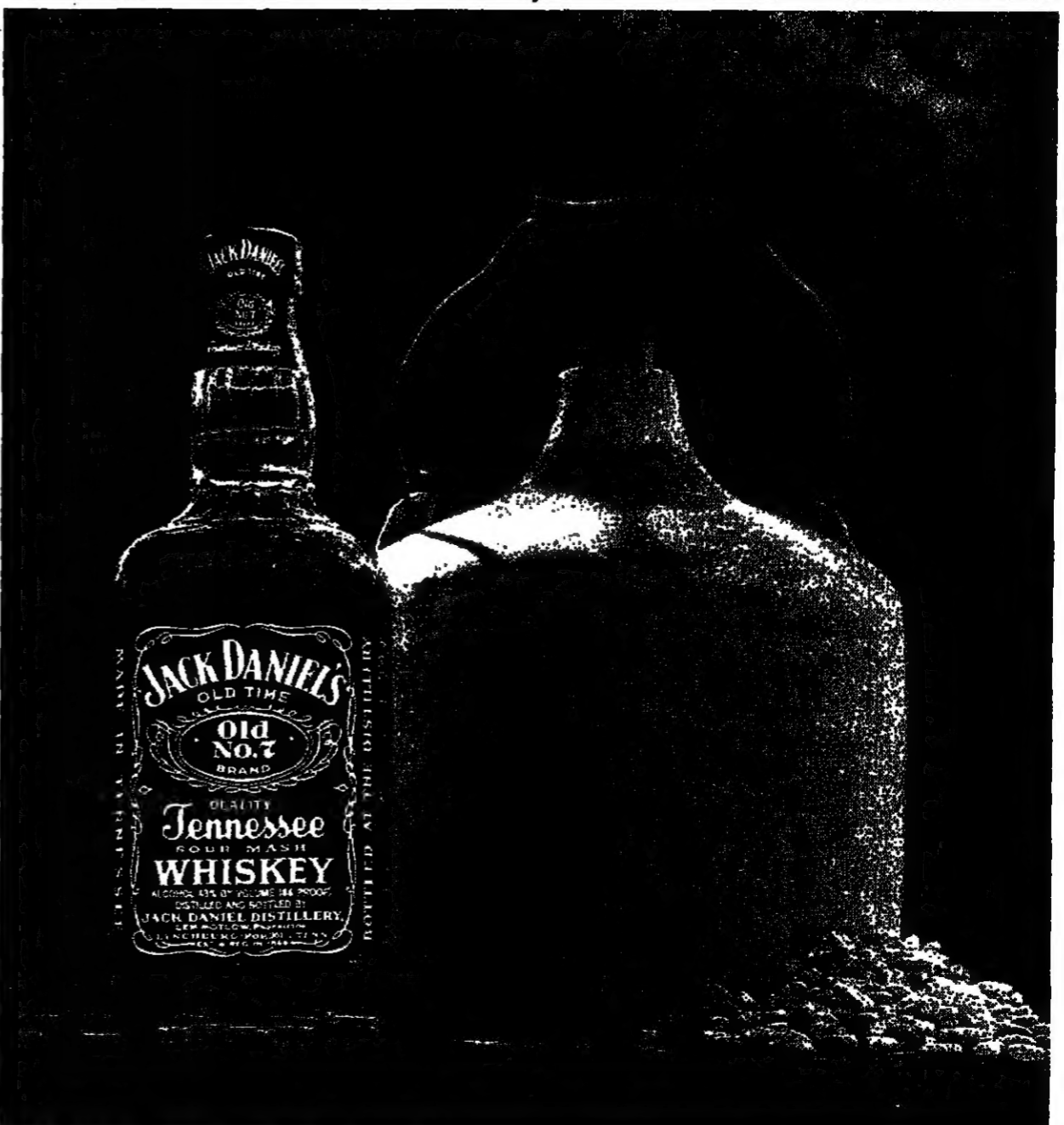
The Tailhook convention - the annual gathering of aircraft carrier pilots in Las Vegas - in 1991 prompted complaints from women officers of gross and drunken sexual harassment. This led to a series of purges, and a naval sensitivity to sexual discrimination which inspired Adm Boorda to order a 24-hour "stand down" last year for the navy to "take a long, hard look at ourselves".

Boorda was criticised for failing to defend Admiral Stanley Arthur, who took retirement after his appointment to command the Pacific fleet was challenged over the handling of the promotion of a woman.

"Some senior officers are guilty of the ultimate disloyalty. To save or advance their careers, they abandoned the very ideals of their profession in order to curry favour with politicians," former navy secretary James Webb charged last month, in an open attack on Boorda.

A US Navy nuclear-powered attack submarine collided with a Saudi Arabian merchant ship in the Atlantic off Virginia yesterday, without causing injuries, the navy said. There has been a spate of accidents involving the navy, including crashes of several F-14 fighter jets.

Obituary, page 20



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JACK DANIEL'S TENNESSEE WHISKEY

For though we respect and fear Germans more — because they gave us our wretched royal family, as well as toothbrush moustaches and Christmas trees — our oldest and best tabloid quarrel, lasting century after century, inexhaustible in the variety of mutual insults it affords, lies with the French.

Nicholas Fraser, Outlook page 13

The search for commercial sponsors for the proposed exhibition at Greenwich has had to be extended by six weeks. Work on clearing the site has not started. In some quarters, words such as 'shambles' are being used. And January 1, 2000, is getting uncomfortably close

Dan Glaister on a flagship event



The Millennium Exhibition site at Greenwich, where work has not yet started on the clearing of toxic waste

PHOTOGRAPH: GARRY WEASER

Fears for millennium deadline

IT IS one deadline that cannot be missed. The Greenwich Millennium Exhibition, the flagship event of Britain's celebration of the new century, has to be ready on January 1, 2000. But yesterday it emerged that the Millennium Commission had extended by six weeks to the end of June the deadline for finding commercial sponsors for the project. The commission has to match the £200 million of National Lottery funds already committed to the project with funds from the private sector. The Greenwich exhibition will involve the regeneration of a 70-acre former gasworks site owned by British Gas. The first stage of work would be to clear the area of toxic waste. With plans for the exhibition apparently running late, the bidders behind Birmingham's rejected attempt to stage the exhibition said they were ready to step in. John Cole, marketing director for Birmingham National

Exhibition Centre, said yesterday: "We have sent a message to the Millennium Commission to say we are keen to have discussions with them if they are in the market for a radical re-appraisal. I believe the big corporate sponsors feel more comfortable with something in the centre of England reaching out to the rest of the country." A spokeswoman for the Millennium Commission — which brought in Sir Peter Levene, one-time adviser to the Prime Minister on efficiency — to devise a business plan that would make the project commercially viable, said it remained committed in principle to the project. "Sir Peter is being asked to identify partners," she said. "The Millennium Commission, like the commercial partners, has to be assured of the project's viability before finally committing to it." Sources close to the project suggested that too much political capital had been invested in the Greenwich Exhibition

to abandon it now, even though no work had been done at the site. Theresa Sewart, leader of Birmingham city council, said she was not surprised at the delay. "It's the wrong place. It will cost three times what it would have cost in Birmingham, but it will probably go ahead in Greenwich." The Millennium Exhibition comes under the jurisdiction of the Department of National Heritage, and the Heritage Secretary, Virginia Bottomley, is chairwoman of the Millennium Commission, but the driving force behind the event is thought to be the Deputy Prime Minister, Michael Heseltine. Potential commercial investors and sponsors have complained that the Greenwich plans are too vague, but imagination, the design group charged with the creative work, said the only details missing were the financial ones. "All the creative and design work is in place," a spokeswoman said.

The exhibition — a celebration of time — will include 12 pavilions arranged in a circle to resemble a clock face. Each will examine a different aspect of time. The exhibition will last a year. Nigel Spearing, Labour MP for Newham South, which borders the site, said the project was flawed in its conception. He called on the commission to involve the local boroughs, the borough-backed Greenwich Millennium Trust and the Corpora-

tion of London in the project. Michael Cassidy, chairman of the corporation's policy and resources committee, admitted the project was a shambles, but said: "While we're extremely keen for London to have this enormous investment, we're not going to barge in now." Nick Raynsford, MP for Greenwich, said that given the tight timetable given to Sir Peter, the delay was not surprising, "but the weaknesses that have emerged

have to be addressed. There has to be a clear leader for the project. I want to see a single communal structure, so that investors can see how their money is being used." Mr Raynsford dismissed Birmingham's late bid. "If Greenwich doesn't happen, nothing will happen. If this is to be a success, it has to be somewhere with international pull... If the Government fluffs this one the country will pay a heavy price."

News in brief

Europe challenge to police immunity rule

A CHALLENGE to the rule that victims of crime cannot sue the police for negligence cleared the first hurdle in Strasbourg yesterday on the way to the European Court of Human Rights. The European Commission of Human Rights ruled admissible a claim by the family of a man who was shot and killed by a teacher who had threatened to "do a Hungerford". The commission will still have to decide on the merits of the case before sending it to the human rights court. Multiye Osman and her son, Ahmet Osman, claim that police immunity from negligence actions in investigating and suppressing crime breaches articles of the convention guaranteeing the right to life and right to a fair trial. In 1987 police were informed that Paul Paget-Lewis, who taught the son, then 14, in Hackney, east London, had threatened to "do something which would be a sort of Hungerford", and had caused incidents at the Osmans' home. Paget-Lewis then killed Ali Osman, the father, and injured the son. He further shot and injured his school's deputy head and killed his son. Paget-Lewis was convicted of manslaughter and sentenced to be detained in a secure mental hospital. The family sued for negligence, but the court ruled that public policy required immunity for the police. — *Clare Dyer*

Driver held after cliff plunge

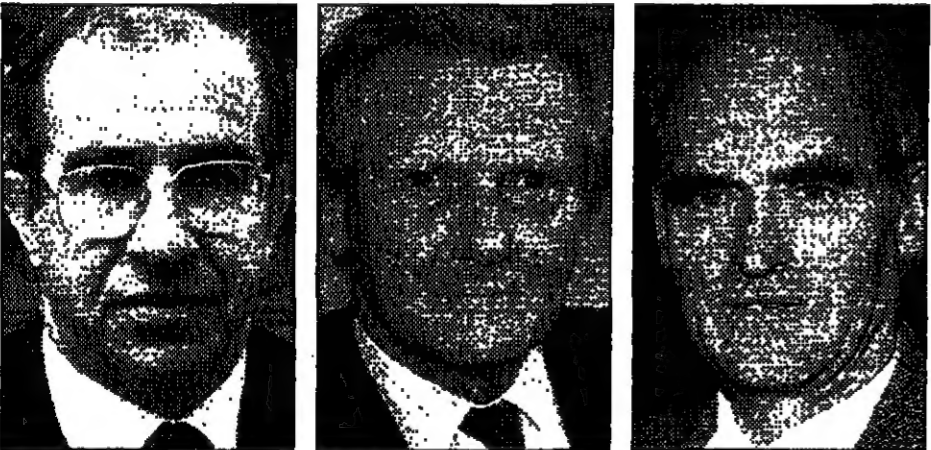
POLICE are holding the driver of a van which plunged over a 60-foot cliff, killing two passengers and injuring four others. The plunge took place at 3am yesterday when the van carrying seven people left the coastal road near Broadstairs, Kent. The 18-year-old driver could not be found at the scene and was arrested later. The dead were Neil Harvey-Jones, 20, and Samantha Edwards, 17, both from Ramsgate. The injured — Melissa Kennett, Laura Sells, Gary Blake, and another young man, all in their late teens or early 20s — were yesterday at the Kent and Canterbury Hospital in Canterbury. A coastguard spokesman said: "There was quite a lot of carnage and one of the victims had to be taken to hospital by a helicopter."

Paint-daubing 'victory'

PEACE campaigners celebrated a "symbolic victory" yesterday when a 26-year-old woman was given 140 hours' community service plus £100 costs for doing £21,504 of damage at a United States National Security Agency base. Kate Witham, who works on supply convoys to former Yugoslavia, daubed Peace, Truth, Justice and Freedom in red paint on the golfball radomes at Menwith Hill, Yorkshire. CND asserted that Ms Witham, who climbed into Buckingham Palace gardens three years ago on a nuclear protest, had been "effectively vindicated" by the sentence. — *Martin Wainwright*

HRT helps stop bone disease

RESULTS of a 10-year trial of continuous hormone replacement therapy showing its effect on the onset of the brittle bone disease, osteoporosis, in post-menopausal women were presented to a conference in Amsterdam yesterday. Women who received the treatment had an estimated 30 per cent reduction in fracture risk over 10 years, compared with a 13 per cent increased risk in an untreated group. Previous studies have only been conducted over five years. Osteoporosis threatens the health of one in three European women over the age of 50.



Sir Peter Levene, planning; Michael Heseltine, driving force; Nigel Spearing, critical

Offer to Allitt families

Parents of nurse's victims given 2 weeks to accept stress payout

Owen Bowcott
PARENTS of the victims of the child killer Beverly Allitt have been made a time-limited offer by Lincolnshire health authority to settle their claims for post-traumatic stress. The proposed payments — expected to total £300,000, to be shared among 13 families — would avoid an expensive test case over liability. Under the offer received by lawyers yesterday, the parents of the four children murdered by Allitt in 1991 at Grantham and Kesteven hos-

THEY'RE NATURAL KILLERS

THEY'RE DANGEROUS

Handwritten Arabic text: ٥٥١٢٠١٥٥

Prodi unveils Italy's first left-dominated cabinet

John Hooper in Rome

ROMANO PRODI, the economics professor who led the winning alliance in last month's general election, yesterday unveiled the first predominantly left-wing cabinet ever to take power in Italy. His 20 ministers include nine ex-Communists, three left-of-centre former Christian Democrats and a Green.

They also include Antonio Di Pietro, the prosecutor whose drive against corruption made him a national hero, as public works minister. He will be responsible for the very area which has generated most corruption. His new colleagues include two former prime ministers, Carlo Azeglio Ciampi, a former governor of the Bank of Italy who led the government from April 1993 to March 1994, returns as treasury minister.

Mr Ciampi's budget-tightening in office made him unpopular with the unions, but endeared him to the markets. Communist Refoundation, whose votes are vital to the government's survival, tried to block his appointment and the news yesterday that it had failed helped the lira to climb again.

Lamberto Dini, who was prime minister in the outgoing government, becomes foreign minister. The wily Florentine emerged as clear winner from the cabinet horse-trading, with three portfolios for his Italian Renewal party.

Security men wax fat in candle war

Julian Borger in Sofia on an unseemly scrap for power between rival priests

TWO grey-uniformed policemen sit slumped by the factory gates. They keep a furtive eye on two men lounging on the other side of the road wearing black leather jackets and dark glasses. Pleasant-tries are occasionally exchanged between long dis-

tributed silences. It is a very Balkan summer scene — both sleepy and tense. The focal point of the tension is the decrepit factory behind the rusting gates. Since the 1970s it has produced candles and other paraphernalia for Bulgaria's Orthodox Church, but in a deeply divided, post-communist society it has become the centre of a bitter dispute between two rival synods.

Significant amounts of money are at stake. But if the priests are to be believed, control of the factory also amounts to mastery over the very soul and destiny of the Bulgarian people.

Consequently, the warring synods — under the command of two white-bearded patriarchs — have hired private security agencies to wage a battle of wits for the candle workshops on the outskirts of Sofia, known officially by their cumbersome communist-era title, Synod Production Complex.

One cleric has torn his cassock trying to vault the factory's barbed wire fence

pointed by the Communist government in 1971: his rival, Patriarch Pimen, who is 11 years older, was nominated in 1992 by the anti-Communist coalition which took power when the old regime collapsed.

Since then, as in many other eastern European countries, the Communists (reformed and repackaged as socialists) have returned to power through the ballot box, and they ordered Patriarch Maxim's reinstatement last November.

The rift mirrors the split in the society beyond the church doors — "reds" pitted against "blues", de-

claring each other as collaborators or opportunists, each side drawing legitimacy from piles of contradictory legal documents.

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Look what has happened to me once I found out I could become a writer. In just a few years my freelance earnings have paid for two seaside flats, a host of new cars, numerous holidays and my own lux-

Colin Jones

Colin Jones
Freelance Writer



New era... Social Democrat Peter Caruana is embraced by a supporter after winning the general election in Gibraltar

Gibraltar rejects government

Adela Gooch in Gibraltar

GIBRALTARIANS have opted for good relations with Spain, electing a new government to break the existing impasse and deliver economic prosperity while maintaining ties with Britain.

Mr Caruana was sworn in as chief minister by the governor, Admiral Sir Hugo White. The Social Democrats will have eight seats in the 15-seat assembly, with the rest going to the Labour party.

The National Party, which advocated city-state status for Gibraltar, won 4.8 per cent, while an independent who advocated closer ties with Spain drew just 0.16 per cent. Turnout was a record 88 per cent.

Mr Caruana said he would not give way on sovereignty. "In that respect Gibraltar is in safe hands," he said, but he appeared to make a concession to Spain by announcing a clampdown on smuggling.

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Racing

Alec can prove too smart for rivals

Ron Cox takes the in-form Ray Cochrane to score third win in the Lockinge Stakes

RAY COCHRANE, flying high at the top of the jockeys' table with 50 winners following a double at Newbury yesterday...

There is definitely improvement in Charnwood Forest, who has reportedly thrived in Dubai over the winter...

Spectrum, who looked after the winner of the Genay when moving smoothly up to the leaders two furlongs out before lack of an outting took its toll...

But he bounced back in the autumn with two more wins, including victory in the Gran Premio d'Italia...

"But we rested her up and were very light on her. She is still in the clouds and we'll have to go. She'll stay forward and there is more improvement in her..."



Boys keep swinging... Montgomerie on his way to a 63 yesterday

Golf

Danger lurks as Jimenez rides the wind

David Davies at Torrance

MIGUEL ANGEL Jimenez has been here before. He leads the Benson and Hedges International by two strokes after 36 holes...

Jimenez is on six under par, 138, but that will be of little comfort to him given his experience earlier this year in the Dubai Classic. He led for 60 holes before he was righted at the 17th...

Montgomerie became the first player to get round without a bogey and he was not surprised to see him making a bid to end the leadership in the third round. He's the guy to beat so thank goodness he's only playing about twice in Europe this year...

Dushyantor's Derby odds on the slide after injury scare

DUSHYANTOR'S Derby odds were lengthened to 7-1 from 5-1 by William Hill after the colt was reported to have suffered a setback...

Newbury card with form for the Jackpot races

2.00 Newbloom 2.30 Southlands 2.50 Premier 2.50 Smart Alec 3.00 Ogil

Thirk runners and riders

Table listing various race events, names of runners and riders, and odds for the Thirk races.

Results

Table showing the results of various races, including winner names and finishing positions.

BBC-1

Large table of race results and betting odds for BBC-1, including race names, runner names, and odds.

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Southwell National Hunt programme

Table listing the Southwell National Hunt programme, including race names and participant details.

Newmarket

Table listing the Newmarket racing results and betting information.

Golden Pools

Table showing Golden Pools results.

Results

Table showing additional racing results.

Results

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Results

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TRIPLE-JUMPER IN SEARCH OF HIS OLYMPIC DREAM



Leap year... Jonathan Edwards in triplicate: winning the world title at Gothenburg, left, then flying the flag, followed by the 1995 BBC Sports Personality of the Year award

Edwards steps on to the golden runway

Duncan Mackay on the world champion who kick-starts his Atlanta campaign today

MAGINE being so superior to your rivals that you stand on the verge of accomplishing something that no Briton has achieved for more than half a century and people keep assuming nothing can go wrong. Jonathan Edwards, a Newcastle United fan, cannot help but see parallels between his team's 12-point domination in the Premiership that vanished into second place and his position in triple jumping. "I'm petrified," Edwards admits of the moment this afternoon when he will stand in the new \$319 million (£145 million) stadium in Atlanta for his opening jump of a season he hopes will end with him becoming Britain's first Olympic champion in the event since Timothy Ahern covered 14.92m in 1908. Last year's achievements, when Edwards redefined the boundaries of the event by

breaking the world record three times and winning the world title, now seem like a dream to him and have filled him with self-doubt as much as confidence. "I've never been in this position before," Edwards says, his hair slightly more flecked with grey than when bounding to Gothenburg glory last August. "I find that the most difficult thing: the expectation. I still lie awake at night and say to my wife Alison: 'I still don't quite know how it happened and whether I can do it again.' The palant will still be drying when the United States vice-president Al Gore joins the International Olympic Committee's president Juan Antonio Samaranch to cut a 197ft ribbon and declare the Olympic stadium open before 60,000 spectators. The largest crowd ever to watch an international

Amateur Athletic Federation grand-prix meeting will see a star-studded programme featuring Carl Lewis, Michael Johnson, Sergey Bubka and Noureddine Morceli. The contrast between Edwards' opening competition this summer and 13 months ago, when he set a United Kingdom record of 17.58 metres at Loughborough on a cold, wet day, could hardly be greater. "A year ago there was no pressure on me," he admits. Just as he did last year, Edwards has spent 3 1/2 months living in Tallahassee, Florida, where he has been able to train in warm conditions away from the media demands that have accompanied him on his rise to fame. "It was very nice in Florida," he says. "From my point of view I don't think we have appreciated how much pressure we have been under until we actually got away from it all. We had a lot of time just being normal, going around the shops and nobody knowing who I am. That has been very, very enjoyable." Edwards, who turned 30 eight days ago, has wintered well: last weekend he reduced his personal best for 100 metres from 10.7 seconds to 10.48 at a college invitational meeting. If that means he is faster than last year it opens up another range of possibilities beyond his present world record of 18.29m. He has already jumped 17m in training off an abbreviated 14-stride run-up. Mike Conley, Edwards' chief rival, will use today as an early chance to measure himself against the Englishman. In triple-jumping circles the American was always considered the man most likely to break through the 18-metre barrier until last summer, when Edwards amazed everyone, including himself. "I can't bring myself to get mad at Jonathan," Conley says. "I can only get mad at what he jumped." The barrier broken, Edwards expects others, especially Conley, to join him in the 18-metre club, just as other milers quickly made Roger Bannister's sub-four-minute feat after his initial achievement. "Conley's still a great threat in my mind," Edwards says. "No one could get close to me last year but this year people will be jumping 18 metres and I have to live with that." Edwards, unbeaten all last season, emphasises that it is what happens when he returns to the Olympic stadium in two months' time that counts. "The Olympics are all that matters this year," he says. Edwards returns to England tomorrow to a new house in Gosforth. When he left in February, Newcastle were nine points clear of Manchester United and apparently cruising to their first championship for 69 years. "I can't believe they're taking his eye off the ball and being distracted by other schemes, especially the race development of the McLaren GTR sports coup and a still-born land speed record project. The team lost their Honda works deal at the end of 1992, paid for customer Ford V8s in 1993, then works Peugeot V10s in 1994, and finally changed to Mercedes-Benz V10s at the start of last season. Such constant technical disruption does nothing but harm to such a relentlessly

Motor Racing McLaren back on old road

Alan Henry reports from Monaco on a reviving reputation

WHEN Bruce McLaren cut the toes off his racing boots to make life more comfortable in the cockpit of his first Formula One car on its race debut here 30 years ago this weekend, he can hardly have foreseen that the team carrying his name would become the most successful in this glamorous and grueling race through the streets. McLaren won the Monaco Grand Prix nine times out of 10 between 1964 and 1968. Four of the victories were achieved by Alan Frost and five by Ayrton Senna, whose additional one in 1987 for Lotus gave him the drivers' record of six wins. After Senna left the team at the end of 1993, however, McLaren fortunes slumped. Yet with Mika Hakkinen and David Coulthard, positioned first and third fastest times in Thursday's free practice session here it seems that the team is at last reasserting itself as a potential winning force. Losing Senna was a body blow for McLaren matched only by the problems encountered in changing engine suppliers four times in as many seasons. In addition critics accused the team chief Ron Dennis of taking his eye off the ball and being distracted by other schemes, especially the race development of the McLaren GTR sports coup and a still-born land speed record project. The team lost their Honda works deal at the end of 1992, paid for customer Ford V8s in 1993, then works Peugeot V10s in 1994, and finally changed to Mercedes-Benz V10s at the start of last season. Such constant technical disruption does nothing but harm to such a relentlessly competitive environment but they are now benefiting from renewed stability in their second year with the same engine supplier. "We struggled in the first three races of this year," admitted Norbert Haug, the Mercedes motorsport manager. "We found out there was an aerodynamic problem at the front of the car which was identified in an intensive test prior to the European Grand Prix last month. "At Nürburgring and Imola we were little more than half a second slower than the Williams, which means we are catching up with the fastest time on Thursday doesn't mean that much because we used new tyres but I think we are capable of running consistently in the top five." For tomorrow's race McLaren has developed a short-wheelbase car with aerodynamics specially tailored for tight circuits. "We have improved the car consistently in all areas," said Hakkinen, "and that has made a better package. We are also trying to improve the engine for more power and better drivability." McLaren, who had won the Monaco race at the wheel of a Cooper-Climax in 1962, never lived in the shadow of Hakkinen. The popular New Zealander was killed at Goodwood in June 1970 while testing one of his 1800mph Can-Am sports cars. His team continued to be run by his former partners until 1980 when it passed to the control of Dennis and John Barnard. It says much for the current management that they have never contemplated changing the team's name. "McLaren has always projected a high quality image," said Dennis. "It is important that we always approach things properly and professionally, whether we are winning races or not. Those were also the standards which Bruce applied to his motor racing." They are obvious sentiments, perhaps, but Bruce McLaren would have approved.

Bangor National Hunt card

Table of horse racing results for Bangor National Hunt card, including race numbers, names, and winners.

Lingfield tonight

Table of horse racing results for Lingfield tonight, including race numbers, names, and winners.

Fakenham (N.H.) tonight

Table of horse racing results for Fakenham (N.H.) tonight, including race numbers, names, and winners.

Hamilton tonight

Table of horse racing results for Hamilton tonight, including race numbers, names, and winners.

Edwards steps on to the golden runway

Table of horse racing results for Edwards steps on to the golden runway, including race numbers, names, and winners.

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Soccer

David Lacey looks at the team for today's friendly international against Hungary and assesses its implications for Euro 96

Venables sorts out his spares

RIDDLING Hungary's net this afternoon might not solve the conundrum of Terry Venables's final squad for the European Championship...

have been spectacular, with shots and headers hitting bar or posts. But until points are awarded for rebounds England will have to concentrate on hitting the target properly...

duty for Rangers in the Scottish Cup final, Alan Shearer, not quite ready for combat after a hernia operation...

Les Ferdinand, scorer of England's sole goal this year, should be equally appreciative of the sort of service he can provide...

Wilcox said: "I think I'm just a hard-working player with a good left foot. It's nice of Alan to say that I create most of my goals. International football looks a completely different game to me..."

anchoring his strategy on Darren Anderson, another recent convalescent, will return to the England side in his original position on the right wing...



Wilcox... 23rd new cap

Leeds to be floated after deal

LEEDS UNITED will be floated on the stock market within a month in a £10 million deal with the Queens Park Rangers owner Richard Thompson...

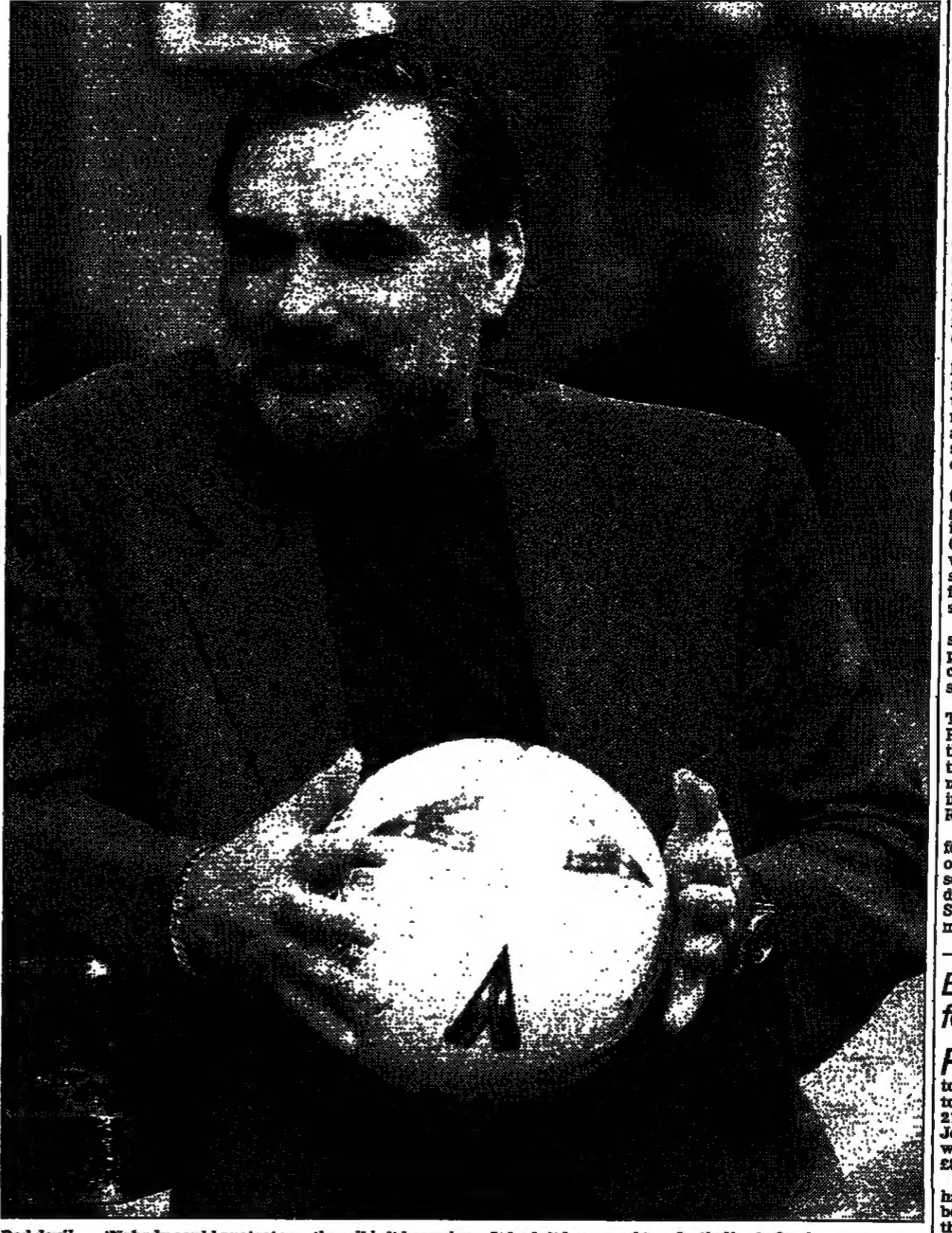
Best the eternal swinger notches his half-century

Britain's most gifted footballer will be 50 on Wednesday. Frank Keating reports

GEORGE BEST is 50 on Wednesday. When British football's most gifted superstar — and star-crossed rascal — walked away from the game at 27 with a bottle under one arm and a bevy of blondes on the other...

up other dates it is hard not to whistle a "phew" — for on his 15th birthday he joined Manchester United, the very summer of 1961 that Jimmy Hill and Cliff Lloyd of the Professional Footballers' Association celebrated the abolition of the maximum wage...

ers; they no longer live in mock-Tudor mansions but in Grade I Tudor mansions. "Now every footballer is protected. Of course it was a problem for me. All of a sudden I had to employ three full-time secretaries just to answer the 10,000 letters a week..."



Red devil... 'Nobody could protect me, they didn't know how. It hadn't happened to a footballer before' DAVID MANSSELL

But were the cameras there for his last in England, in 1977 when he signed off for Fulham on a sick-pan picnic with an exquisite lob which kissed the crossbar and fell over the line with Oldham's poor goalie on his backside...

What's Eating Jeffrey Archer? Robert Chalmers on the writing pains of Lord Archer, tomorrow in the Observer

to Genoa, the veteran winger. He shot it back with his left foot — but he put a vicious back-spin on it so the well-struck ball took one bounce and at once skidded back to him...

recognised him. Autograph slips came in from the whole shop, the street and beyond. He signed each one but missed his place in the queue. No bet. Lucknow walked it at 15-1. The brief episode was enough to turn any sane man to drink...

2,000 women but only been in love this once — is obviously a true brick as well as truly beautiful. "What a compliment that she's willing to share a life with me..."

On tomorrow's film his American born-and-bred son Calum pledges troth. A handsome (although blond, through Best's first wife Angie) teenager, Calum "quite likes this soccer game of dad's". And meanwhile the old man picks at his beard and chuckles: "The bottom line is that I'm still enjoying life enormously..."

George Best 50 and full of the joys? There is hope, thank him and heaven, for all of us.

Scottish Cup final: Heart of Midlothian v Rangers

Gough after silver service against peculiar odds

VICTORY for Rangers over Hearts in today's Scottish Cup final would not produce quite as historic a double as Manchester United achieved last Saturday but that will not diminish the Glasgow side's commitment to the cause...

Gough is not only the club captain but also the leading collector of silverware, with 16 medals since he arrived from Tottenham in 1967. Gough, now 34, approaches occasions such as today's with a philosophy which keeps an edge to his appetite...

but it doesn't happen like that. We were also heavy favourites to beat United and we didn't. Even the Rangers manager Walter Smith confesses to difficulties in maintaining his players' concentration during their three-week hiatus since clinching the championship...

Hearts, at 5-1 to win in 90 minutes, represent exceptional value as the Tynecastle side have won their last two meetings with the champions, 3-0 at Ibrox Park and 2-0 in Edinburgh...

players, have yet to taste. Hearts, who use a similar system, have subdued the Glasgow side more successfully than any other Scottish opposition this season; today's midfield battle is likely to be the most interesting aspect of the entire match...

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SportsGuardian

Barcelona guarantee Robson £2m pay-out

John Duncan on the 63-year-old who has deposed Cruyff

BOBBY ROBSON became the highest paid British manager in world football yesterday when he replaced Johan Cruyff as coach of Barcelona.

Details of Robson's contract emerged last night after the FC Porto manager signed a two-year contract worth £100,000 per month — double the £50,000 per month deal that Alex Ferguson has just agreed with Manchester United.

The move from FC Porto completed a remarkable transformation in fortunes for the 63-year-old Robson, who was heavily criticised during his eight years as England manager — he was once accused of being a clown — and who last year won his battle against facial cancer after a malignant tumour was discovered by chance in his cheek.

He has since played a full part in Porto's defence of their league title and established himself as one of Europe's most successful managers.

However, Robson was only Barcelona's second choice after Ajax refused permission to approach their coach Louis Van Gaal. The speculation in Spain is that Robson may be asked to keep the seat warm for 12 months before moving to a job as technical director at the Nou Camp to make way for the Dutchman.

"The Barcelona job is mine," Robson said. "I didn't want this to come out but now it has I have to say it is correct. I am signing a two-

year contract with them. That is all I want, then I will bow out of football. But what a way for me to go, as manager of one of the really great clubs."

Robson has been offered the Barcelona job twice before, the first time when he was at Ipswich. He turned them down then but recommended Terry Venables, who won the title for them in his first season. He also turned down a move to Arsenal when the Porto president, with whom he has a good relationship, asked him to stay.

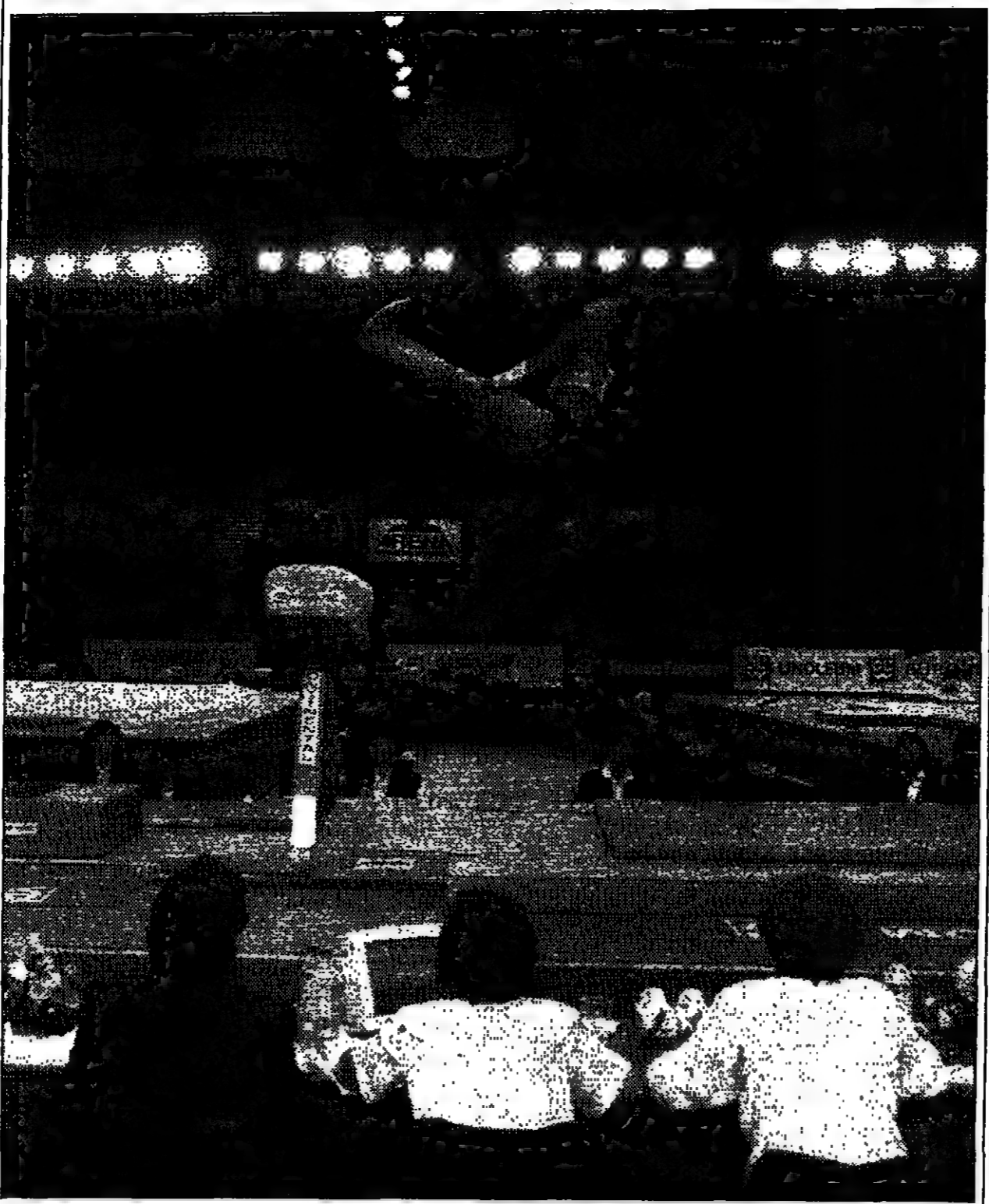
As is always the case in football management, one man's opportunity is another man's P45 and Barcelona decided to dispense with Cruyff despite eight successful years in charge. The Dutchman won four consecutive league titles from 1990 to 1994 and the club's first European Cup in 1992. However, he has paid the price for a lean two years in which the club have failed to win anything.

However, he has never managed to improve an acrimonious relationship with the Barcelona board and especially its president Jose Luis Nunez.

Robson is well versed in the niceties of managing European clubs. He first ventured abroad in 1990, taking up a two-year contract with PSV Eindhoven after overseeing England's World Cup campaign. Although he took the Dutch side to two titles they failed to renew his contract because of his lack of European success. They have not won the title since.

From there he took charge at Sporting Lisbon but was sacked in mid-season with the side at the top of the table after Sporting lost a UEFA Cup tie. He was immediately snapped up by Porto.

POWER AND GRACE IN BIRMINGHAM



Vanishing ambition... Sibel Cetezen of Turkey takes to the air during the women's European Gymnastics Championships at the National Exhibition Centre yesterday

The lesson of hype and let-down



David Lacey

NOBODY thought much of the FA Cup final. The condemnation was universal but one reporter put it more trenchantly than most. "By a great effort of memory," he wrote, "I can only think of one other FA Cup final that had a similarly depressing effect on the crowd. That was a perfect nightmare, and after careful consideration I cannot find any better description of last Saturday's match."

"The men on either side were thinking too much of their opponents' strength rather than their own power to conquer, and such an attitude is ever detrimental to the best conception of football. This final sent the majority of people away with a conviction that they had been badly used and badly entertained, too."

The prose style probably gives the game away. For this was a comment not on the 1996 Cup final between Manchester United and Liverpool but on the 1928 final between Huddersfield Town and Preston North End, won 1-0 by Huddersfield with a penalty.

At least the writer thought the 1904 final between Manchester City and Bolton Wanderers had been just as bad. For some (the great let-down of a week ago) was the worst Cup final ever, which only goes to show how unmemorable the four hours of mediocrity involving Arsenal and Sheffield Wednesday in 1996 must have been.

The greater the hype the bigger the let-down. We never learn. Football is not theatre, despite its rediscovery by the dress circle. The players may have achieved pop star status but cannot be programmed to provide instant visual appeal.

Yet no sooner has the Cup been put away for another season than similar errors of expectation are being made on behalf of the 1996 European

Championship. This, we are told, is going to be a football tournament like no other, not merely bigger than any of its predecessors, which is undoubtedly true, but better, which one must beg leave to doubt.

In fact by converting the European Championship, which has always fitted awkwardly between World Cups, into a 16-team, 31-match tournament, UEFA has risked spoiling the essential appeal of the thing, which was its relative brevity leading to a heightened dramatic impact.

"Small is beautiful," declared Lemart Johansson, the large Swedish president of UEFA, when efforts to double the number of finalists were being resisted. He soon changed his mind.

So Terry Venables and the other coaches of next month's finalists are having to choose their squads on the basis of excellence and with an eye to durability over three weeks of intensive activity. If this produces a memorable final at Wembley on June 30 it will be more by accident than design.

There will surely never be a better climax to a European Championship than 1976, the last to be settled over five days because it involved only semi-finals and final, plus a third place play-off.

Holland quickly grumbled their way out but Yugoslavia, the hosts, West Germany and Czechoslovakia, the eventual winners, produced wonderful football thereafter. None of these countries now exists in the form of 30 years ago. A pity the tournament has gone the same way.

OF COURSE the presence of England at Wembley on June 30 would guarantee the nation's attention and an English victory would not have too many complaining about the spectacle. But the final should neither be exalted in advance simply because it is a final nor condemned out of hand if the players fail to follow an untried script.

Part of the modern problem is that the sternest criticism often comes from those who have watched television's two-dimensional keynote version of events. Japan is promising widescreen 3D TV for the 2002 World Cup. At least that would have brought out the full Dawkins brilliance of John Barnes's boots at Wembley last Saturday.

England call up Rover Wilcox

JASON WILCOX was a surprise selection in the England team for today's friendly against Hungary. The Blackburn Rovers left-winger wins his first cap after missing much of the season with damaged knee ligaments. With Alan

Shearer rested, Les Ferdinand, scorer of England's sole goal this year, partners Teddy Sheringham up front. Gary Neville earns his ninth cap despite not being a first choice for Manchester United. *David Lacey, page 10*

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I am now in a position to promote dog bone alla Toscana, which I tried out in Italy last autumn after a huntsman foolishly shot his own hound. I roasted a haunch in the oven with olive oil, garlic and rosemary.
James Hamilton-Paterson

Outlook page 19

Alphabetical jigsaw set by Araucaria
Method: Solve the clues and fit the solutions into the diagram given—wise, wherever they will go

A F— for Fraser — was her brother's wife (7)
B Lout made out to be deprived of life (8)
C Out of court is fruit, as lemon's classed (7)
D See H
E Put in chair, wild homot goes in last (9)
F Flu developed through this Roman lass (8)
G Nerve attached to quantity of gas (8)

or Stone the stubborn brute for little growth (7)
H D Seat for squat round model egg that quoth ... (6,6)
I "Rough in temper, skill to which cloud thickens" (15)
J Either litigant or sleigh-bells (Dickens) (8,8)
K King first with king's evil's silver grip (6)
L Place one can get quiet and have a kip (3,2)
M Anthem word's translated, and is too (5)
N Nature's other choice, to form run true (7)

Crossword Solution 20,656



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July 20 1996

The Guardian Outlook

BSE is our latest excuse for falling out with the French. The dislike defines who we are, says NICHOLAS FRASER

Mad cows and English phlegm



INTERVIEWED on the Today programme, Sir Charles Powell, Mrs Thatcher's foreign policy guru, complained this week that the French still behaved as if they were our adversaries. "They have old memories," he moaned. "We have been competing so long that we haven't lost the habit."

Above my desk hang two 18th-century prints by William Hogarth, and I admire them frequently these days. One of them depicts a skinny, priest-like Frenchman at Calais eating frogs' legs and garlic spit-roasted on a sword under an inn sign advertising Meagre Soup at the King's Clog.

There are no clogs or priests in the other print, which depicts free (and somewhat overweight) Englishmen feasting on "Old England's Beef and Beer" while preparing to give the Frenchies another thrashing.

Hogarth's world view still holds among the likes of Teresa Gorman, but it is nowadays tempered by anxiety. "Would you buy an onion string from this man?" asked the Daily Mail lamely last Tuesday. Why not? I asked myself. I thought of Jacques Chirac when I heard that he was eating beef at 10 Downing Street. For a Frenchman, how sweet it must be to find oneself visiting Britain in the time of Mad Cows and Europhobia, gallantly kissing the Queen's hand while dispensing unwelcome advice about the single currency or the prospects of the lifting of a ban on galatin.

For though we respect and fear Germans more — because they gave us our wretched royal family, as well as toothbrush moustaches and Christmas trees — our oldest and best tabloid quarrel, inexhaustible in the variety of mutual insults it affords, lies with the French.

If they play our game well enough, like the miraculous Eric Cantona, we make them, after a due period of punishing apprenticeship, honorary Britons. Otherwise we take care to encounter them only through the haze of cultural misunderstanding. This means that we marvel at their rudeness while we mistake, like Edna and Patsy in Absolutely Fabulous, the concierge lodge for the palatial villa or

find ourselves — through a haze of Peter Mayle-induced romanticism — being sold wine-gar instead of plonk at the local supermarket.

"Have you noticed it's just those things the English pride themselves on most which are better here?" asks a character in Nancy Mitford's novel Don't Tell Alfred. "Trains: more punctual; tweeds: more pretty; football: the French always win. Doctors: can't be compared, nobody ever dies here until they're a hundred..."

This is the current British view, among the liberal classes at least. But our sense of envious unease as we emerge by Eurostar from the wastes around Ashford to the sleek plains of northern France is shadowed by centuries of presumed superiority. We know in every thump of our best-solden patriotic hearts that the French can't be better than we are.

When Sellars and Yeatman were still read in English schools, the knot of mutual Anglo-French disregard was supposed to have been tied in Joan of Arc's day. Now historians place it after Shakespeare's patriotic plays, which are thought to be symptoms of English cultural anxiety.

It was in the 18th century that Britain began to become prosperous, formulating the idea of itself as a Protestant alternative to the great absolutist Catholic landmass across the water. Linda Colley's book, Britons, makes it clear that Hogarth's Britishness was manufactured as an explanation of our no longer embattled condition, fighting war after successful war against the French. It was, essentially, an invention — a device for establishing the uniqueness of the new Union by cementing its dissident parts in the light of triumphant plunder.

But for French travellers the British miracle was a different one. Voltaire, coming to Britain in 1730, found the food disgusting but rejoiced in the fact that the meanest Britons held themselves aloft, protected by their King like free men should be. There was no censorship, science and philosophical speculations were duly encouraged. Like post-structuralists looking at America 150 years later, the French intelligentsia of the Enlightenment found much to commend in the utopian Britain of Locke and Hume.

Relations were soured, however, by hostility to the French Revolution, regarded by Britons, except for wild-eyed liberals like Byron, Keats, Shelley, as a breach of established international order. The ultimate defeat of Napoleon, and the decline of France, set the pattern for a spirit of distant, patronising correctness, punctuated by fut-tutting at the persistent political over-excitability of the French.

We frequented their brothels, drank their wine and summered at their seaside; they sent us such eminent exiles as Zola, Hugo and Napoleon III. Meanwhile our own by now

wartime achievements he admired. The ENA supplied a cadre of bureaucrats for the planned postwar economy, and then for the New Europe. Jacques Chirac and his prime minister are both graduates of the school. Most of what British Europhobes slyly call "Brussels" is in reality a French invention.

It was de Gaulle, too, who delivered the greatest blow to Britain in modern times, taking revenge for past humiliations by blackballing Harold Macmillan's 1963 application for European Community membership. "Britain is insular," he declared. "Her nature, her structure, and her economic position differs from those of Continentals." At cabinet meetings the General entertained his ministers with a spirited rendering of Edith Piaf's Au Revoir, Marseillais.

For the British, there remains something faintly underhand about the French cult of intelligence, combined as it is with the pursuit of national self-interest. This resentment comes out in the general mistrust of Gallic unscrupulousness ritually expressed by Charles Moore's Daily Telegraph.

These British patriots would rather see the French elite as "typical" collaborationists whose real lessons come from the debacle of 1940, than admit that there is something sensible about the release of so much administrative talent.

Among Labour Europhiles of the 1970s there was a brief inter-

take on the unions, and break their power, as Thatcher did. What British Tories regard as surrender, therefore, French politicians like the current prime minister, Alain Juppe, consider as the only realistic way of dealing with the French tradition of manning barricades.

Only with respect to ethnic minorities does the French state act with exemplary harshness, gunning down suspected terrorists without much public comment. French coverage of the British model of race relations, presumed to consist of sloppy laissez-faire, is unfailingly censorious.

Meanwhile, of course, the French do have their culture. Where we British believe in such totemic abstractions as sovereignty, the French place their trust in words. Formal, judicial incorporation of France within a federal Europe doesn't bother them, so long as what they consider to be the integrity of French cultural excellence is maintained.

And for the French elite, excessively schooled in the notion of the superiority of generality and abstraction, it is the idea of culture, above all, that matters — not its execution. In Britain we may have no film industry to speak of, but we do produce highly watchable films like Train-spotting which French audiences flock to see. The French, by contrast, have a cultural industry that ensures films are made — grants, bureaucrats, quotas arranged in Brussels — but few films worth queuing for in the Paris or London rain.

Being half-French, I've wondered on and off whether the two countries are becoming more alike, or whether the facts of economic convergence haven't paradoxically encouraged — as compensation and to retain something of a shared past of antagonism — a spirit of dissimilarity. I tend now to think the latter might be the case.

Forty-odd years ago, when European union was first envisaged, cultural uniformity was considered highly desirable. But we now live in an age of what Ernest Gellner called "secondary cultural pluralism", where smallish, pleasant or irritating differences — football team shirts, minority languages, and rarefied means of preparing native freshwater fish — are exaggerated in order to shore up the vanishing of nationhood.

In their different ways the French and English, just as they constituted the earliest nation states, are now the prime representatives of the new pluralism. Both countries have in common an eccentric as well as a bloodstained past. They share an interest in continuing to recycle the oldest quarrels rather than consigning them to oblivion. Should we be upset by this phenomenon? Should we not instead enjoy it?

Nicholas Fraser is writing a book on end-of-century Europe.

Of all the Nations of Europe, the English and French should love one another best — Guillaume Herbert, 1642

England is our model — and our rival, our light — and our enemy — J.P.L. de Luchet, 1790

How much evil (the French and English) have inflicted on each other! How much good we might have done — Napoleon, 1816

The days of hostility between the two countries are happily at an end — Edward VII, 1903

Quotes taken from Best of Enemies by Robert Gibson

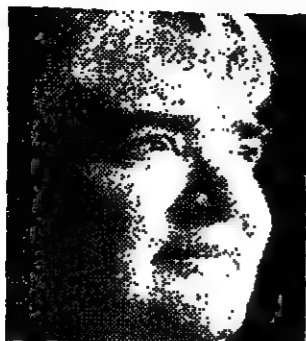


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Australia's day of deliverance



Jan Culhane, left, is desperate to make history - as the first person in the world to be helped legally to end her own life. MARGARET SIMONS reports from Darwin

AUSTRALIANS are unlikely to forget the date July 1, 1996. From that day, a doctor called Philip Nitschke will have the power to put into use a unique application of computer technology — his death machine.

Nitschke has linked a computer to a syringe that will be filled with deadly drugs. His patients will work their way through a series of screens before they push a key that will end it all.

On the second screen is the blunt warning: "This device has been set to deliver a lethal injection. To proceed to the next step you must press YES." The last screen reads: "If you press YES, you will cause a lethal injection to be given in 30 seconds, and will die. YES or NO."

In an earlier prototype of the Deliverance program, the patient could choose from a range of CD music options, and the final message on the screen was "Goodbye and Good Luck". Now the final exit will be silent. When the machine becomes available for use in less than two months, the Northern Territory of Australia, where Nitschke practises, will become the first jurisdiction in the world where a doctor can legally assist the terminally ill to commit suicide.

People can be very determined to die — or at least to choose the manner of their departure. It is a determination we normally associate with the will to live. But in Darwin, the remote capital of the Northern Territory, it is the will to end life that is dividing the community.

A year ago, the state's parliament passed the first legislation in the world making euthanasia legal. Almost immediately, tragic journeys began. At least half a dozen people from across Australia sold property, said farewell to relatives, and travelled to Darwin, only to end up in a motel room, unable to die. The law demanded that pal-

lative care be upgraded, a hospice established and an education programme conducted before the law came into effect. Nobody was prepared to say how long all this would take.

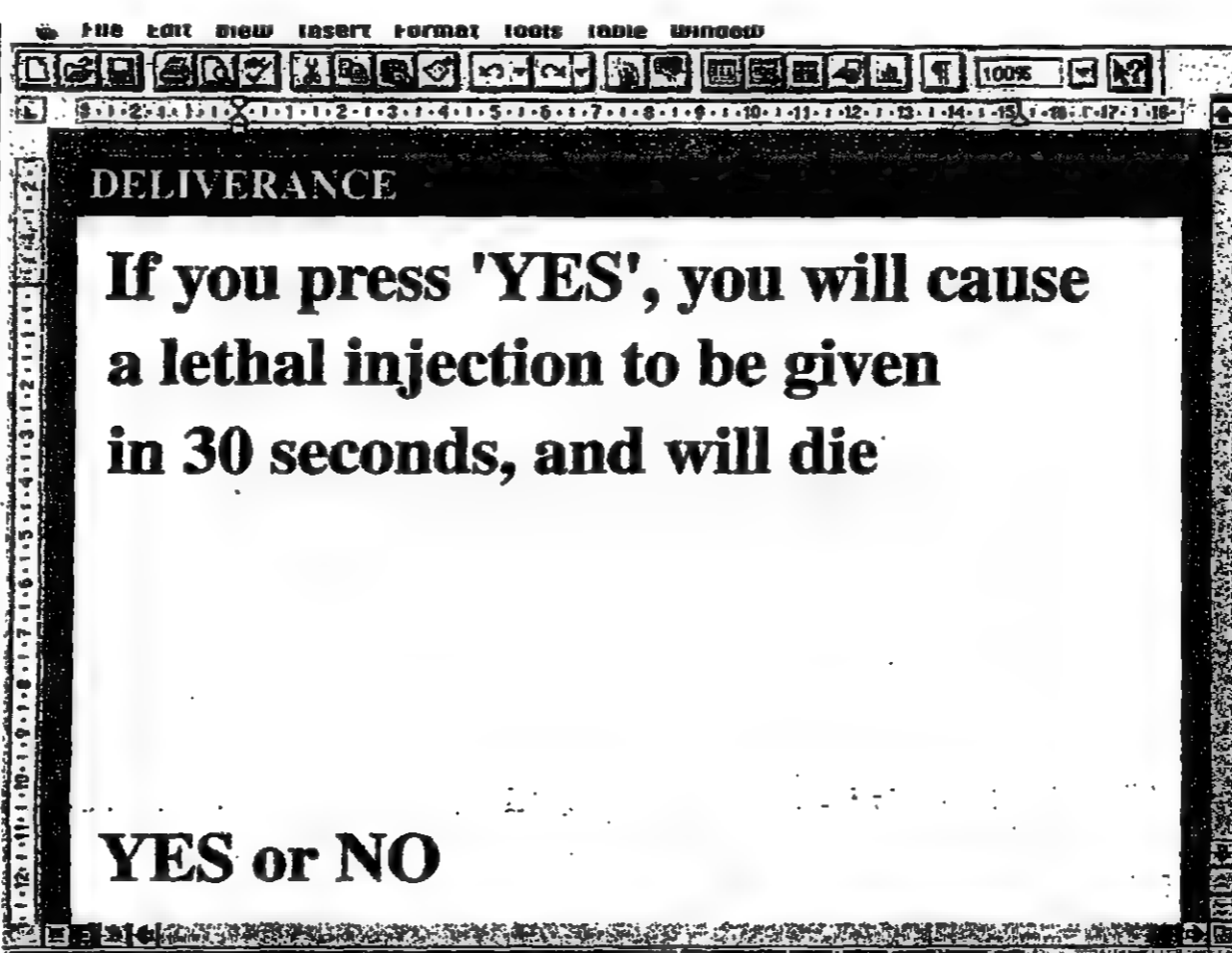
One wife smuggled her 85-year-old husband out of hospital and on to a plane, terrified the airline would realise he was not fit to fly. They booked into a Darwin motel and contacted a doctor, but were told they couldn't yet be helped. The man died, weeks later, in his rented room. By his own hand? "Who knows," says Nitschke. "This is a small community. It's like a goldfish bowl up here at the moment. We are watched."

After July 1, patients who satisfy the rigorous requirements of the law will be able to receive the medical help they crave. Pro-euthanasia doctors say they are aware of up to two dozen patients wanting to travel to Darwin. One query has come from Britain.

Meanwhile, there is raw emotion in Darwin, which opponents of the law say will become the world's Death City, the destination for one-way tourism.

The arguments from doctors, right-to-lifers and the churches vary from respect for the sanctity of human life to fears that this will be the thin end of the wedge — that voluntary euthanasia will open the door for the venal to have their relatives put down.

The scaremongering suggests you are a murderer, that you want to bump off people who are in the way, that you are harking back to Hitler. Lynda Cricknell, president of the Darwin Pro-euthanasia Society, asks: "Ya fair dinkum — ya wanna go the whole hog? Press YES or NO. Fair dinkum, dead set, one hundred per cent no worries? Press YES or NO. Listen mate, do you want to have a beer and think about it tomorrow?" The Territory is the last place in Australia where such radical reform would have been expected. Since self-government in 1978, every



election has been won by the conservative Country-Liberal Party, dominated for the last decade by the charismatic and enigmatic chief minister, Marshall Perron. Elections have been presidential affairs: Perron versus Labour. Suddenly and quite deliberately, after 21 years during which he never voiced any concern for the rights of the terminally ill, Perron made legalised suicide his political swan song and memorial. He drafted The Rights of the Terminally Ill Act and introduced it as a private member's bill. Then, on the eve of the crucial conscience vote, he announced his intention to retire. "He basically asked us to give it to him as a parting gift," remarked one MP. "Well, there aren't too many ways for a Territory politician to write himself into the international history books..." Now officially retired and tinkering with his beloved hot-rodd cars, Perron is still the driving force behind the scenes. But why did he do it? "That is the question I am always asked, and the answer is a bland one which doesn't satisfy people," he says. "The truth is I have always felt that a person who is suffering and



Dr Philip Nitschke with the computer linked to a syringe that will be filled with deadly drugs. His patients will work their way through this series of screens before they push a key that will end it all

Between the Rock and a hard place



Martin Kettle THE Romans thought it was the gateway to hell. George I regarded it as an expensive symbol, and his chief minister Stanhope tried hard to give it back to Spain in return for a trade treaty in 1721. The House of Commons — anticipating its role in the Falklands crisis 260 years later — wouldn't let him. As a result, Britain stayed. That's why to this day we are the only nation with a colonial possession on the continent of Europe. Gibraltar. Most British people rarely give a moment's thought to Gibraltar. It was in the news for a change this week because its incompetent government was turned out in a general election. But it is rare for Gibraltar to swim into our ken more than once or twice in a decade. Most of the time Gibraltar is a forgotten place. But not, however, by the Foreign Office. A couple of months ago, the British government launched its white paper on Europe, setting out the negotiating position for the current inter-governmental

conference. On the morning of the white paper's release, I had a briefing from a minister. Before we started on the bigger issues he pointed to the cover of the white paper, with its multi-colour map of the nations of Europe. "I hope you will note our care in assuming the presence of the red dot which marks Gibraltar," he said. "We attach great importance to that." Was he jesting? It was hard to be sure. That exchange sowed a question in my mind. Does anybody in this country actually attach any real importance to Gibraltar? I have to say I very much doubt it. Gibraltar is a small, costly, and by all accounts not very prepossessing colony of only 30,000 people. These days it is a garrison town without much of a garrison. Ten years ago we still had upwards of 2,000 military personnel on the Rock. Today we have 700. Any strategic interest which this country once had in Gibraltar has now disappeared. And in a small way, Gibraltar is now an active disadvantage to this country's interests rather than an asset. It remains a source of friction with Spain, both because our continuing possession of Gibraltar is resented and because the defeated Gibraltar government has allowed the Rock to become a base for the illegal drug and migrant traffic from North Africa into Spain. Gibraltar's new government promises a more conciliatory approach to Madrid. Even so, in its irritating way, Gibraltar is a deter-

rent to better relations between Britain and Spain. Normally one might put up with that and allow sleeping dogs to lie. Certainly when General Franco ruled Spain the thought of negotiating about the return of Gibraltar was impossible. Today, however, things have changed. Spain has had 20 years of stable constitutional government. It is a firm ally and a fellow member of the European Union. Far from as for us, Gibraltar is a side issue, but it is an irritation nonetheless. But the sleeping dog is stirring. This country actively wants something from Spain. We want a new European fishing agreement which will protect our domestic industry from the depredations of the excessively large Spanish fishing fleet. There is a national and an ecological interest in that, and there is a Tory interest too, since John Major is desperate to hang on to several fishing-based seats in the south-west. Major is a deal maker rather than an ideological politician. Europe is a perfect place for deal makers, and Major is said by some to have secured his famous single currency and social chapter opt-outs at Maastricht only in return for an agreement to support Germany over the recognition of Croatia. A man who made a pact like that would certainly be a man who could trade the Rock for fish. If I was Major I would try to make some such deal with Spain. The outcome would be

mostly gain: he would have protected Britain's fishing industry, solved a lingering post-imperial question, shown he was a Tory moderate, proved himself a practical European, and saved a handy amount of public expenditure. Against that, he would have to make arrangements for the resettlement of Gibraltarians who chose not to remain and he would be denounced by his party for abandoning a symbol of imperial greatness and for setting a precedent. All of which helps to explain why Major will not follow my advice. Tony Blair, on the other hand, has less excuse. His party is not preoccupied with

post-imperial delusions. He needs to show himself a practical European. He has a powerful incentive to redefine British interests in a modern context. And he has a need, as this week's domestic party arguments have illustrated only too clearly, for long-term public expenditure savings which can be reinvested in public services. Nor should Blair be afraid of the precedent factor. The inevitable argument about withdrawal from Gibraltar could be turned to positive advantage. It would show that Britain is serious about grabbing the remaining post-imperial nettle and facing up manfully to its position as a European nation. If it opened the way to a

more constructive approach to a settlement with Argentina over the Falklands, then so much the better. A New Labour government worthy of the name should be proud to solve these problems, not fearful of the Thatcherite rantings which would accompany such initiatives. No one is pretending that Gibraltar is either a big issue or even, at this stage, a particularly pressing one. On the colonial agenda, it is dwarfed by the far more pressing question of Hong Kong. Likewise the Falklands remains a more difficult problem than anything to do with the Rock. Compared with the single currency, Gibraltar is not even a dot on the European map. Yet these things are very recent. Labour's approach to Gibraltar and the Falklands will be indicative not just of its approach to international relations, but also of its readiness to counteract the jingoistic post-imperial culture in which this country is still entrapped. The past 20 years have in some respects marked a reversion towards that culture, marked by the Falklands war, the rise of Euroscepticism and the spread of the xenophobic tabloid press. It is genuinely unclear how New Labour would handle a crisis in this area. All Blair's own personal instincts are undoubtedly modern, international and anti-jingo. But that doesn't mean he would pick a fight or necessarily stand firm against tabloids waving the Union Jack. Politically, issues like Gibraltar and the Falklands are landmarks waiting for crises to set them off. Who would have thought Britain would have fought a war over the Falklands? Who can say that there will never be a crisis over Gibraltar? It is far better to deal with such questions preemptively. Mines are better defused than left to go off.

Whit ur they Embra effen bees oan about?



cohol consumption can lead to a third complexion. The Times will be pleased to see that San Francisco's glossary has got it right about the Hums — "Glasgow Rangers soccer team with rabid support among Protestants, aka 'animals'." The glossary will come in handy if the Yanks come over to the festival and decide to see the Trainspotting side of Edinburgh. They might even check out the boggins' bog in the bookies (the filthy lavatory in the betting office) that features so vividly in the story.

America is braced for Trainspotting. Even TOM SHIELDS, a Glaswegian, needs a glossary to keep up

Authentic Glasgow voice says, "Haud loon, gie us a glossary fur'wirsel. Ah cannae work oot whit this effen bee frae Embra's oan about." Irvine Welsh's Trainspotting has put authentic Scottish voices on film and stage. Foreign (as in non-Scottish) audiences appear to love it — without really understanding it. Theatre-goers in San Francisco have been issued with a glossary to help them follow the stage production.

There are words in Trainspotting that are almost as mysterious to a Glaswegian as they would be to a San Franciscan. Radge, pagger, and hveys mean respectively, according to the glossary, a controversial character, a fight, and money.

These words would be met in the west of Scotland with a blank stare and the question: "Whit's the Hampden?" Welsh, renowned for his forthright debating style, might ask what else can be expected of a soap-dodger? Weegee. But there is more that unites than divides east and west. We can both understand, for instance, that years of 'tamna' the bevvie gie ya a coonpen like a well-skaip' erse (years of alcohol consumption can lead to a third complexion).

Tom Shields is the diarist of The Herald, Glasgow.

They might get a carry-out and go for a swally down The Meadows, wi' a poke o' chips well sauk sauce in case they see Lee Marvin. There are many other authentic Scottish voices now being heard — prizewinners James Kelman (Booker) and Jeff Torriington (Whitbread). Then there was Sean Connery, actor and president-elect of the first Scottish republic. Sean, of course, is an Edinburgh boy just like Irvine Welsh. Write a team they would make if Welsh was hired to whip a Bond script: "Gles a voddie, shakun no shitted. An get yer kekks aff, Misch Money-penny, ah'm gaintin' for it."

Daryl gets her act together

Daryl Hannah is back in a role miles from her old image. Why is she playing a junkie porno prostitute?



The Joanna Coles Interview

DARYL Hannah's PR meets us in the uncommunicative foyer of the Noga Hilton, Cannes. There are five of us altogether, two British hacks (me and a freelance) an Australian, an Italian and a Belgian, handpicked for half an hour with Hannah. Five is as close as you get to an exclusive in Cannes — the typical interview involves 10 backs and 20 minutes. "Now just a quick word about your questions," the PR says brightly, before the lift door closes and we embark on phase one of our voyage to Daryl's hotel suite. "Obviously, you can't ask her anything about her personal."

no personal questions? Oh dear. Phase one ends at the fourth door, where we are deposited in a suite and piled with small bottles of Evian to ease us through a seven-minute promo of Daryl's new movie, in which she plays Margaret, a porn actress and grizzled prostitute addicted to heroin. It's called *Frankie The Fly*. Oddly, we don't see much of Daryl. Just a shot of her legs climbing out of a truck and later a clip of her in a limousine being forcibly injected. There is not much dialogue either. At one point Kiefer Sutherland shouts: "You're coming!" To which Daryl replies: "You're coming!" The PR was sorry that we couldn't see the whole film. It's not yet finished. The promo is on a continuous loop and plays five times before we embark on phase two which takes us, via two more lifts, to the door of Daryl's suite. Knock knock. "Hi, hi, come on in you guys," says one of three identical assistants. And there is Daryl sitting at the table of suite 501, busy blowing bubbles. Unlike the girl from *Ipanema* she is tall but not tanned, in fact she is so pale she is almost translucent. Her long hair is bleached white, her make-up and lips ghostly, her toenails and fingernails painted white. She looks as if she has tried to Tipp-Ex herself out. In the middle of the table is a cake-stand with a lip-smacking selection of petite-fours, obviously untouched. Out come five tape recorders, on five record buttons. "Hey keep it down everybody," whines Daryl as her entourage dare to talk among themselves.



get cynical. You know, pessimistic about scripts, about how things turn out, the process is so collaborative you never know how things are going to look." She goes on to complain that 80 per cent of the films she has made have turned out to be disappointing. This is a genuine complaint, she is not fishing for compliments. Apparently she was so fed up after making *The Pope of Greenwich Village* with Mickey Rourke, she didn't even bother to see the finished version. In spite of her girlish voice, she suddenly sounds rather old and weary for her age. Next she informs us that she has been producing, writing and directing her own short movies, after studying film at New York University. She applied aged 33, terrified she would find herself in a class full of wannabe Spike Lees and Martin Scorseses. In fact, she turned out to be the most dedicated student of all. But how did her fellow students cope, sitting alongside a Hollywood star? "Oh, after the first week I was just another kid in class." What about security? She laughs for the first time. "Oh, I don't need security, that's all a state of mind. I think if you go into places with a low-key attitude, everybody treats you with respect." Despite her abnormally good looks and fame, Daryl Hannah is beginning to sound worryingly normal. "Making your own film is like painting a painting or making a pot with your bare hands," she says, suddenly looking enthusiastic. "It's really possible, the sense of satisfaction. Acting is so much out of your own hands, there's no sense of completion. You never know how it went. Did I suck? Was I good? I love acting, but as an actress, I'm really insecure. As a director I'm sure of myself. I didn't anticipate this." She looks so pleased by this discovery it becomes infectious and I find I'm pleased for her too. So tell us about *Frankie The Fly*, stammers the Italian. And so she tells us about her new, grisly role as the prostitute playing opposite Dennis Hopper. Given the part two weeks before shooting, she went on a vicious diet. "No dairy and no bread, which was very hard because I live on candy and cheese. I'm a vegetarian but I hate vegetables. And I exercised every day, which I also hate for its own sake, though I do like to snowboard, horseback ride and scuba dive." But she does not want us to think she looks good in *Frankie*. That is definitely not the point. "It's not a Disney variation of prostitution," she says quickly. "It's very grim. There's a point where I'm so angry, I'm messed up, I'm drinking. I can't even tell you what words come out of my mouth! I'm f***** mother f*****, it's very, very dramatic." Is this the first time you've played a hooker, demands the Belgian? Daryl nods. "I've always had a problem with trying to romanticise that world of drugs, porn and prostitution. Nothing but bad things can come out of such dishonesty."

'I've always had a problem with trying to romanticise drugs, porn and prostitution. Nothing but bad things can come out of such dishonesty'

JOHN CUNNINGHAM meets Anthony Julius, the author surprised to find his book has provoked the lit critics to another savaging of TS Eliot. Should anti-Semitism dispar the poet from greatness or is it just a sign of his times?

Di's lawyer puts Eliot back in the dock

YOU couldn't call any of the literary critics who've decided it's high time TS Eliot got a re-evaluation for his anti-Semitism a boot-boy. But the footwear does define the method of attack: scuffed studies for James Fenton, Professor of Poetry at Oxford; steel-tipped brogues for Ulster poet and writer Tom Paulin, and highly-polished Oxfords for the double-breasted Anthony Julius, who started the rumpus. How come Eliot is suddenly in the centre of a literary affray? For decades, admirers have venerated at his shrine, and done a soft-slipper shuffle past the small number of grotesque references to Jews in the poems and essays; the cut-candies they lit banished the shadows from the dark side of his work. Then last autumn, there appeared a monograph by an unknown author that seemed destined to remain in the thicket of academe, so fortuitously did it look at the anti-Jewish element in Eliot's work. The volume slipped on and off the lit. eds' shelves with hardly a review paragraph in print. This week, however, it has become the talk of Manhattan.

Hoiborn offices of Mischon De Reya, where he is senior litigation partner, does he hold back. "In my case it's not a fear of reverence; it's just a fear of closure. Once you conclude [that Eliot was a baddie] you shut the book. What I want to do is to keep it open, but in good faith, avoiding complicity with the prejudice." It comes as a bit of a surprise that Julius, who is Jewish, doesn't want to condemn unreservedly Eliot's unchecked public obscenities. He's been hooked on the poet since his early teens, the book written between the demands of a growing family and an expanding legal practice, is a labour of love. He won't have any truck with the biographical approach — he says he refuses to read the nasty experiences that Eliot might have had with Jewish landlords or lovers to explain this aspect of the work. Instead, Julius's argument is based solely on the texts, peeling off the layers of allusion and reference to show, as he puts it, that Eliot's was the rarest kind of racial prejudice: "One who was able to place his anti-Semitism at the service of his art." And he argues that poems such as *Sweeney among the Nightingales*, *Burbank, Dirge* (which Eliot withdrew) and *The Waste Land* "show the literary fitness of anti-Semitism." The way Eliot rewrites and reworks the clichés of prejudice into high art both fascinates and appals him, he says. "I think some people would have liked me to be more appalled, some more impressed," he says, aware that two camps have formed — or reformed — over the issue. But, given the care and skill he deploys in showing that Eliot's anti-Semitism was not so much the un-reflective English brand but a blend that mixes British, American and certainly the authoritarian,

pernicious prejudice of France, why doesn't he call for the expurgating of the offending poems from all future editions? "One censures rather than castrates," says Julius. He is being ultra-English in his fairness to Eliot, while being pained at having to reveal the extent of the racial rotteness. Others are more direct. "Undesirable!" — bold as the stamp on a rejected immigrant's passport — is the headline on Tom Paulin's long piece on Eliot in the *London Review of Books*. "This, together with the distinction of that lecture by Oxford's Professor of Poetry,

poems: "There is a malignity in it which is terrifying. It's so firm and so quiet..." he writes. And he forecasts "the beginning of a long process of revisionist criticism which should diminish the overwhelming, the stifling cultural authority which Eliot's oeuvre has acquired." You can see Paulin's toe-caps glinting as he anticipates the process getting underway. But some literary currents are stilted and sluggish. The fact that the Julius book made little impact here for nearly eight months shows this. No conspiracy of silence by the media. Just, says James Fenton, that "literary editors

it's nothing to get into a great sweat about. While I'm not underestimating anti-Semitism, it has been part of western civilisation and will last as long as western civilisation lasts. A lot of readers don't think it affects his poetry." Hoggart's view echoes George Orwell's remark about the prejudice in some early poems: "Who didn't say such things at the time?" But Eliot's anti-Semitism wasn't of the golf-club prejudice type, warns Fenton. Its roots in the French tradition of authoritarian thought, which focused on the danger of free-thinking Jews, make it more troubling. There was nothing genteel, as is sometimes alleged, about it. Anthony Julius, who has researched the fetid seam of abuse on which Eliot drew to vilify Jews from a clever but low literary height, would prefer that such calumnies never reappeared. "But," he says, "I didn't write it as a kind of exercise in social therapy. It would be wonderful, of course, if it made it more difficult to adopt ineffective forms of anti-Semitism or race prejudice." That would be a long-term hope. A more immediate front confronting Julius is those Jewish critics who don't go along with him. Jews are over-sensitive on the issue, said the Jewish Chronicle; they do themselves a disservice by delving into old instances of prejudice. Next round, please.



Verbes that Eliot, above, left out of *The Waste Land* PHOTOGRAPH: BASIRAO

signals the entry of the Brits into the current skirmish. Combatant Fenton, for instance, says he thinks the worth of some of the poems will be damaged "more than Julius lets on." The dismantling of the shrine may be startling, as the gilt rubs off the ancient, conservative, monarchist persona which Eliot carefully constructed round a fascist core. Poet Paulin's nose has long noticed the odour of putrefaction in the anti-Semitic

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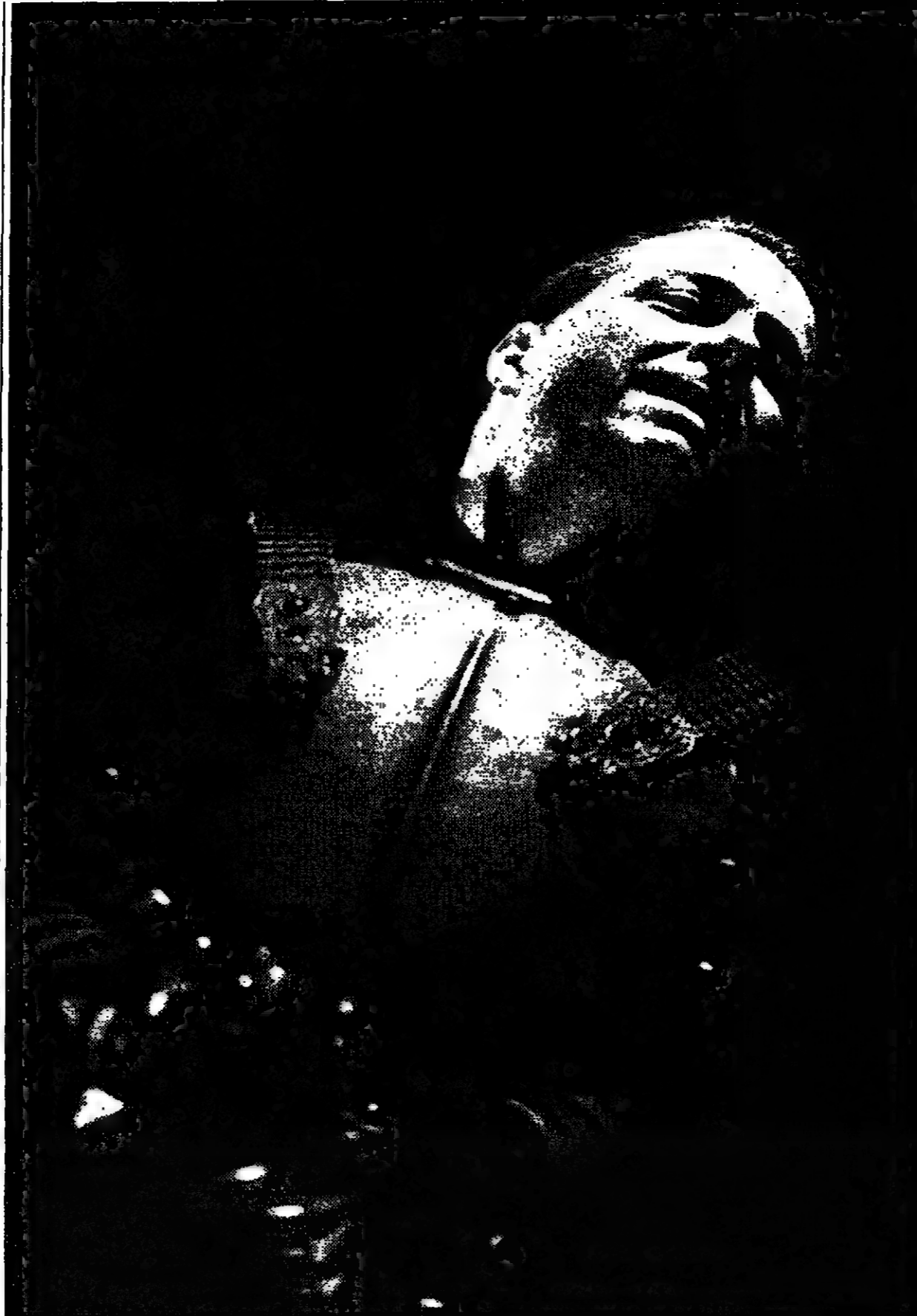
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'Dismal', 'A rough night'. Tim Albery's Macbeth is under attack. MICHAEL BILLINGTON rides to the rescue

Daggers drawn

A MONTH ago Tim Albery's Nabucco provoked boos and catcalls... there was no such passion at Stratford-on-Avon... unifies this broken-backed play and motivates Allan's descent into black tyranny...



Descent into tyranny... Roger Allam plays Macbeth in the RSC's compellingly intelligent production

Reviews

POP

The Tony Rich Project Clapham Grand, London

HATS - that's what's been missing from R&B... rather daringly, he commenced with Grass Is Green, the most depressing song on his debut album...

THEATRE

Portia Coughlan Royal Court, London

RONY of ironies: Marina Carr's highly promising Portia Coughlan at the Royal Court... Carr's aptly named 50-year-old heroine lives in the Belmont Valley in the heart of rural Ireland...

he was hipness personified. Rather daringly, he commenced with Grass Is Green, the most depressing song on his debut album...

is interrupted, half-way through, by a gratuitous vision of her eventual death... Carr's narrative structure is clumsy: the story of Portia's life

Life after Father Ted

Television Mark Lawson ALTHOUGH there is some evidence that babies in real life really do make people go "Ahh", babies on celluloid are more likely to produce, at least from this viewer, the sound: "Aaaaargh!"

Good, clean kitsch

Radio Anne Karpf CAN THERE be any softer targets for the satirist's barb than the Eurovision Song Contest and the Bloomsbury Set?

John Malkovich dresses-down JONATHAN ROMNEY

'Incorrect. Totally' Cannes 96 YOU wouldn't so much say that John Malkovich is dressed from head to foot in cream. It's more that he's dressed pale, including a little white skull-cap.

Talk of the town

JUST in case this year's Cannes wasn't enough of a carnival - and plenty of people thought so - next year promises to be the works. For the festival's 50th anniversary, the proceedings will be stretched to 13 days rather than the usual 12, and will feature a Palme d'Or des Palmes d'Or.

The Book of the Week

Limited edition Penguin 60s boxed sets The Penguin 60s and Penguin 60s Classics, published in celebration of the company's 60th anniversary, are two superb collections of 60 of the greatest writers, poets and philosophers of all time.

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Illustration: MATTHEW RICHARDSON

The rrruff!! guide to eating

FIRST woke up to how rigidly one's own culture defines the edible when I spent a year in Libya back in the mid-sixties. I was interested by my initial revulsion to eating a live locust. Tripoli then was something of a hick town, many of whose older inhabitants were true sons of the desert. In the locust season these people could be seen sitting outside their houses, gossiping and idly eating the insects alive. As though shaming peasants, they would strip off the wings and legs and pop the body into their mouths.

The day inevitably came when I was hospitably offered a locust. It was partly a tribute to public school food that I was able to eat it with stoical patience, but only partly. I was curious, and that helped. The taste was faintly greenish and suety, and I remember being anxious to chew it all at once before my tongue could detect any tiny movements of protesting mandible or pulsating abdomen.

The tradition of eating in a spirit of curiosity exists even in Britain. Eminent Victorian naturalists such as Frank Buckland and Vincent Holt did it all the time. Buckland ate anything, including exotic zoological specimens, and was the one who wrote "A roast field mouse - not a house mouse - is a splendid *bonne bouche* for a hungry boy. It eats like a lark." Holt's excellent book *Why Not Eat Insects?* (London, 1885) was full of satisfying dishes which any Briton with access to a garden could prepare, such as Bofled Neck of Mutton with Wireworm Sauce and Moths on Toast.

Some years ago a reception was held at, I think, the Royal Geographical Society, at which cocktail sandwiches spread with Holt's woodlouse paste recipe were served. "Better than shrimp," was the widespread verdict; and one might think a taste for it would catch on if only woodlice were conveniently available by the pint, like winkles. Wake up, Sainsbury's!

I thought about all this on my most recent spell in the Philippines, which remains my favourite country far more than any other because it offers novel experiences of every conceivable kind with high good humour. Among these are gastronomic pleasures and challenges which leave one lost in admiration at human ingenuity and discrimination. Discrimination, because the recipes often rely on a palate tuned to fine shades of flavour that elude the untrained.

The supremacist reputation of French gastronomy and centrally based discrimination. Discrimination, because the recipes often rely on a palate tuned to fine shades of flavour that elude the untrained. The supremacist reputation of French gastronomy and centrally based discrimination. Discrimination, because the recipes often rely on a palate tuned to fine shades of flavour that elude the untrained.

large where I live: *bayawat* (a large, iguana-like lizard); dog in one guise or another; fruit bat; and, of course, that ubiquitous national favourite, *balut*. *Balut* are hawked in the streets of almost any town; hard-boiled duck eggs which have been fertilised and in which the embryonic chick's tiny beak and little folded wings are well defined but still soft. Eaten warm with salt they are superb as well as nutritious.

This time, though, my travels took me some hundreds of miles to the north, to the late Ferdinand Marcos's home territory of Ilocos Norte. I remembered Libya as soon as I encountered *pinakutsang hipon* or "jumping dog". The *hipon* are tiny live shrimp which leap and squirm on the plate. I was told they could be subdued with a squeeze of lime juice, but this seemed only to provoke mine. Maybe the juice stung their eyes.

The taste is wonderful, quite unknown to people who have never eaten seafood which has not been locked in ice since it died. They do twitch a little in the mouth; the effect is not unlike the crackling sherbet (Space Dust and Moon Rocks) British children could buy a few years ago. When you eat jumping salad it is easy to believe in sympathetic magic, which claims that the soul or essence of the victim passes into the devourer - the theory which once gave us larks' tongue salad. It made me feel sprightly for hours afterwards. Don't be tempted to dust the shrimp, however lightly, with black pepper: it overpowers them. A judicious drop or two of fresh ginger juice adds bite.

Like any other civilised people, Filipinos make a firm distinction between pet and pot. Times would have to be hard indeed before old Rover made the supreme sacrifice. Dog dishes are often referred to generically as *asensero*. This is a falsetto pun on the Spanish word for fly (*asucena*), that deadly pest introduced for their cemeteries by the Philippines' first colonisers. But in Tagalog *aso* is dog, while *asera* is Spanish for supper, so with a small triumphal act of semantics, an indigenous eastern dish flowers to outrage the European invader.

Up in northern Luzon one can eat a satisfactory array of dog recipes, though in the town of Baguio the meat is often sold from door to door already butchered, and gastronomes will tell you it's important to know the breed you're cooking, as well as its age, and vary your recipe accordingly. This is why a discriminating palate pays off, since true dog lovers will know whether the dish's lead character was a dog or a bitch, especially one on heat. Of course puppies, like veal, need bland and delicate cooking.



be described as tasting *malansa*. It's interesting to discover a sensory perception that is simply not recognised by one's own culture. Bearing this in mind (for Filipinos consider *malansa* unpleasant), there are half a dozen common ways of cooking dog - other than straight roasting over an open fire - and plenty of regional variations. It should be remembered that most rural Filipino cookery is of the "open fire" rather than the "oven" type, which gives a distinctive flavour. *Kalderingaso* (*kaldera*, of course, is Spanish for cauldron); a classic dog dish. Garlic and onions are fried in coconut oil until brown, and reserved. The meat (chopped Chinese style, with the bones) is fried in the same oil until tender, then the onions and garlic are put back in and a cupful of soy sauce added. When that has bubbled and settled enough, any or all of the following can be added: tomato ketchup, peanut butter, margarine, peppercorns, chili, pickles, potatoes, carrots. The ketchup and margarine give a debased and over-sweet taste and may safely be omitted. The peanut butter imparts a slightly Indonesian flavour. To this is added a bottle of San Miguel beer - one bottle per dog - and the whole thing allowed to stew gently for an hour. A fancy *casero* might even include pineapple

chunks. *Adobong aso* (*adobo* being Spanish for pickling sauce); This gets rid of any *malansa* flavour by a different method. Here the meat is boiled first in coconut vinegar and soy sauce. It can be embellished into *adobong aso sa gato* by adding turmeric and fresh ginger and then coconut milk at the end. Depending on the quality of the dog, the flavour emerges rich and clear and nuttily. *Bulacan dog*: In Bulacan Province they have a method of boiling the meat with tamarind, onions and garlic to achieve a good, sour, *shingang* flavour. Then the meat is patted dry and fried in plenty of oil. It is served with a dip made of soy sauce, chili and ketchup. This is delicious though I can't recommend it for cat, which is a dry meat and easily becomes stringy and floury if fried as well as boiled. I am now in a position to promote dog *dona ala Toscana*, which I tried out in Italy last autumn after a huntsman foolishly shot his own bound. I roasted a haunch in the oven with olive oil, garlic and rosemary. My house guest considered it a great success. Sadly, owing to the lack of rosemary and olive oil in the Philippine provinces it would be hard to introduce this taste sensation there. I feel something very good might also be done with a stuffing of basil,

prunes and lemon, held together with mustard flour. Certain Italian friends affect horror - as do some of my Filipino friends - but this is a received response and not based on experience. (Hypocritical, too, since dog meat is still occasionally smoked in the Italian Alps). It's the old argument of the *avatolans* who hadn't read a line of Rusbie. "Oh, taste and see," is the reasonable response. In any case, *cane alla Toscana* suggests a whole range of possibilities using exotic ingredients but in a European style. I am familiar with *adobong aso*, which is python, and an eager to invent python steaks in Trieste fashion, with white wine and anchovy fillets. They would be fabulous. But alas, it is an idle dream. The most one could hope for here in Europe would be an occasional adder stew with shallots. The Philippine provinces also have some unusual culinary specialties which, for sheer inventiveness, are a tribute to the human spirit. There is a dish from the mountain provinces that requires a chicken to be plucked before it is beaten slowly to death with spoons. The theory runs that the beating mobilises subcutaneous fat as well as breaking the capillaries, and produces a flushed, creamy texture. I have to report - regretfully, in view of the bird's protracted demise - that in my case it was all for nothing since it tasted to me like roast chicken by any other name. Evidently my palate is still poorly educated. I gather the Ewondo of Cameroon use a similar method on plump dogs, which are tied up and tenderised for a day with small canes before they are cooked in a complicated nine-hour procedure. In any case, readers wishing to try for themselves this method of preparing a

Jumping salad tastes lively, rather like crackling sherbet. But chicken slowly beaten to death with spoons then roasted falls rather flat. And then there is dog... As the British passion for beef goes cold JAMES HAMILTON-PATERSON picks out some alternatives to tickle the palate

chicken are urged to use nothing heavier than one of those light wooden spoons from Habitat. The point is not to break any bones. Also, the sensitive are advised that even in the cheerful outdoor context of tribal cooking the scene is not without its pitiful aspects. I suppose the bird might be given an anaesthetic; yet this would violate the no-chemicals rule. Also from the north is *pinakpitan*, which I have yet to try. It, too, starts with a chicken being beaten to death, this time with its clothes on. Once dead, it is briefly roast in its feathers before being cut up and cooked in the normal fashion. A tasty combination is for it to be mixed with *ilog*, which is belly of pork dried and packed in salt in earthenware crocks until it becomes maggots. This, when cooked with the chastised hen, yields a greenish-grey sauce described as "hearty". The sum of its parts is apparently far greater than their individual promise. *Buro* dishes, a Pangasinan speciality, are also something I have never eaten. *Buro* refers to a way of pickling in brine. One celebrated version starts with a stew of pickled vegetables which is allowed to cool before being fed to a dog that has been starved for a couple of days. The dog wolfs it down and after an interval, someone gives the animal a special blow behind the ribs with the edge of the hand which induces immediate vomiting. The regurgitated stew is caught in a bowl, re-cooked with additional herbs and eaten. The dog, which is more cross than injured, is rewarded with a meal which this time it is allowed to digest completely. A friend who has tried this dish, as well as another version which involves ferment-

ing fish and rice in a crock for several weeks, says *buro* is something you need to acquire a taste for, like *kimchi*, the Koreans' pickled vegetables. Yet another Pangasinan dish involves a goat being fed as much grass as it will eat before it is killed and cooked with the grass still inside. The grass-filled stomach is allegedly delicious. There is a range of *papaian* dishes from Ilocos (*papaian* means bitter) which have percolated south to the extent that one can find workers' restaurants in Manila specialising in them. A good *papaian* will present an interesting taste to a European who is otherwise accustomed to bitterness only in tonic water, or in vegetables like chicory. It is well worth trying and nothing like as bitter as it sounds - far less so than some varieties of Italian salad greens, for instance.

RETURNED from my trip up north to my home village to find somebody's birthday being celebrated with an old favourite - a brilliant campfire version of duck à l'orange called *potatin*. The duck is lightly spiced and then transferred to a large iron saucepan, in the bottom of which is a bed of the Chinese fermented black beans which come in tins. A bottle of Sprite is added (though Fanta is equally satisfactory) as well as a large lump of ice. The ice slows down the cooking - heat control is always a problem with an open fire. After an hour or so the *potatin* is ready. Free range duck is delicious in any case; but what makes this dish is the fizzy drink, sweetened black bean sauce. It used to be obligatory to end a food article by quoting the 18th-century French law-

yer and gastronome, Brillat-Savarin: "*Dis-moi ce que tu manges, et je te dirai ce que tu es*" (Tell me what you eat and I'll tell you what you are). I haven't the least idea what he meant. What kind of judgment was he threatening to make? A class one? Racial? Nationalistic? Economic? Religious? Or merely implying a confident assertion of his *ova bon goût*?

However, if he meant "You are a curious traveller, soon to be dead and happy to try anything one" one might allow the old fraud some points. The only form of abuse I remember without pleasure from my schooldays is gastronomic. It is a reminder that we come from a culture which thought nothing of giving Spain fritters to impressionable children. We owe it to ourselves to put our cast-iron digestions to better use, and abandon taboo in favour of new taste experiences.

Any visitor to Manila wishing to do the same might make a good start by dining at Patro Mequeni, a restaurant near Remedios Circle in Malate. Nothing too outrageous, but an interesting range of regional Filipino dishes. The deep-fried mole crickets to nibble with a cold San Miguel as one waits for the main course are highly recommended, and would have made Vincent Holt's evening. They rustle agreeably on the plate, but are still squidgy and peanutry inside.

Dog-fanciers, on the other hand, will have to ask around, since the restaurants they are looking for tend to lie outside touristy areas. If you find a taxi-driver who pretends not to understand, you can convince him by telling him you're looking for aw-aw rhymes with bow-wow. You can't get clearer than that.

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James Hamilton-Paterson divides his time between Italy and the Philippines. He won the Newdigate Prize for Poetry at Oxford in 1984 and since then has written novels, a documentary work on Vietnam, short stories and screenplays. He won the Whitbread First Novel Award in 1989 with *Gerontius*. A collection of short stories, *The Music*, was published last year by Jonathan Cape



'I'm not interested in what cannot be done. I'm interested in what can be done'... the can-do admiral at Camp Mitchell in Rota, Spain, in 1995

Admiral Jeremy Boorda

Leader from the front

ADMIRAL Jeremy 'Mike' Boorda, Commander of the United States Navy, took his own life on Thursday, at the age of 57, just when it appeared to have reached its zenith. He had capped an extraordinary military career with the highest office attainable, had been hailed as a saviour of the Navy's good name after a sleazy sex scandal and settled back — in America after half-a-lifetime's voyaging.

But then he took himself to the edge of that life, on a garden bench at home on a rainy afternoon in southeast Washington, and hurled himself over it with a shot to the chest from his son-in-law's .38 handgun.

The surface motive for Boorda's suicide appears to place him among the last victims of the Vietnam war: two reporters from Newsweek were due at his home that afternoon, the magazine having reportedly found out that he had carried with him a secret since his war in Vietnam. He had worn, until last year, two 'V'-pins — valour insignia — upon his copious ribbons of decoration, which were not backed up by his service record. The V is only meant to accompany medals if the serviceman is "exposed to personal hazard due to direct hostile action". In a suicide note, the admiral is said to have pleaded that it was "an honest mistake" but was convinced no one would believe him.

Those who knew Boorda talk about a deeper doubt, a trauma that can haunt people who climb from a humble origin, through the ranks to the peaks, as Boorda did. He was the only man to start as a common seaman and reach the top. "Maybe they look into themselves harder than most people," said one reporter who knew him well.

There was another crucial twist to Admiral Boorda's death concerning a newspaper — this newspaper.

The last years of Boorda's career were marked by his insistence that the US take a robust line and intervene militarily in the carnage of Bosnia-Herzegovina. This opinion became the admiral's anthem, and both isolated and vindicated him within a Pentagon which was stubbornly resistant to intervention. Admiral Boorda's line, in a secret meeting with a senator in spring 1993, was: "I'm not interested in what cannot be done. I'm interested in what can be done." He had formulated this view during his time as Commander of Nato South, based in Naples, from where he was much more deeply involved in Bosnia's crisis than has been officially admitted.

Boorda had agreed — after detailed negotiation — to give the Guardian his first full interview on what he had advocated for Bosnia, where he saw the Pentagon going wrong and how he believed the slaughter could have been stopped soon after its inception. The interview was due for the first week in June and was to conclude a Guardian series. Bosnia: The Secret War.

The admiral had asked for an outline memo about the areas we wished to cover, which included highly controversial themes, had agreed to speak out despite his position and had set the date the day before his suicide.

But we are left only with the anecdotes that were to accompany the interview, the secret story of Boorda's bold, sometimes reckless, heresy against the caution which straitjacketed the West in its response to the war.

In spring 1993, Senator Joe Biden, then the foreign relations committee and his then advisor James Rubin had been on a visit to Bosnia and Croatia. They were on their way home from an invitation came from Naples, from the commander of Nato South. "Why not?" said Rubin. "Let's go and have some pasta with the admiral in Naples."

"Admiral Boorda," recalls one of the team, "said his line: 'I'm not interested in what cannot be done, I'm interested in what can be done.' And he proceeded to lay out exactly how he would end the war by force. 'We put a division there, a division there, stuff like that,'" recalls Rubin. Senator Biden was anxious to let President Clinton know that "he may have a lot of no-can-do generals in Washington but he had a can-do admiral in Naples".

Boorda became far more

Boorda's involvement in Bosnia included personal flights over the ravaged territory. On one occasion he was so incensed by what he saw that he ordered his pilot to buzz the Bosnian Serb 'capital' of Pale, flying so low that the blast from the aircraft smashed the windows in the main street

meshed in Bosnia's war than was publicly admitted, and was permitted by the strictures of his command. He became a close friend and comrade-in-arms with the General Philippe Morillon of France, UN Commander in Sarajevo and a convert to interventionism after his celebrated entry into besieged Srebrenica. Morillon reveals that the two men opened up a strictly "unofficial" channel of communication between the UN and Nato, which even involved the admiral dispatching teams of US Marines covertly into Sarajevo. It was he who ordered the first Nato air strikes, against Gorazde, in April 1994.

More dramatically, the admiral's involvement extended to his taking personal flights over the ravaged territory. These sorties were unofficial, unheralded, regarded by some colleagues as reckless but utterly characteristic.

On one occasion early in 1993, he saw from the cockpit of an F-14 the grim fruits of a Serbian "ethnic cleansing" spree: burning villages and deportees on the move. The admiral was so incensed that he ordered his pilot, Commander John Stullebean (call sign "Boomer"), to fly down and buzz the Bosnian Serb "capital" of Pale from a terrifyingly low altitude — so low that the blast from the aircraft smashed every window

in Pale's main street. His account recalls that the plane flew at 500 feet but one of his colleagues later let on that this was "well below 500 feet — more like 100".

Boorda was promoted to the Washington position of Chief of Naval Operations. He continued to connive with Morillon, who visited him more than 10 times, and to push for intervention in Bosnia. His idea was a precursor to that which, in the event, propelled the conclusion of the war in 1995: to get UN troops out of Serbian-held territory and of harm's way, and to mount serious, damaging air strikes which would cripple the Serbian war machine and bomb them to the negotiating table.

His can-do approach to Bosnia led the admiral into head-on confrontation with the British — there was a showdown at a United Nations conference in New York. The admiral was telling the US Ambassador to the UN, Madeleine Albright, her French counterpart and British Ambassador Sir David Hannay, how UN-profligate troops — many of them British — could be deployed in Bosnia in a way that would not restrict the use of American air power, which could then come in and finish off the war. Sir David objected, saying



that he didn't think the admiral would consider putting American soldiers at such risk. "I'm offended," said Boorda. "If you think that I care any less about the lives of British soldiers than Americans," Hanney clammed up pretty fast," a fellow guest observed.

Admiral Boorda was short (5ft 4ins), Jewish, clever, gregarious, astute and knew his own mind. He was hardly the Flatbush role-model for the man to command the most WASP-ish and hereditary of the US armed services.

rial Program", and became a young lieutenant, a weapons officer on the John Earl destroyer.

Everding lost track of his protégé, but on finding him again as Admiral Boorda, in a tearful reunion, said: "Don't you dare screw this up, Boorda." It had taken Jeremy "Mike" Boorda 22 years, during which time two of his three sons and a daughter-in-law had become naval officers, and the admiral himself graduated from the Vietnam war to Nato South Command in Naples, a hugely popular "leader from the front".

When Boorda moved from Naples to take over the Navy in April 1994, it was in no small measure because he had been well clear of the service's worst-ever public scandal, the so-called Tailhook case. The affair involved an alleged orgy of sexual harassment during a Navy convention in Nevada, with a constellation of senior officers present.

Boorda was now in command of 600,000 men and an annual budget of \$78 billion. But it was sexual harassment that continued to be a theme dogging Boorda's command, including the "retirement" of another admiral after caustic remarks about the rape of a 13-year-old Japanese girl by US seamen. "Each infraction or misdeed, and we have had plenty lately, detracts from us and demeans our service," said Boorda.

The admiral Boorda's leadership of the Navy had come under attack in recent weeks from stalwart opponents of political correctness who felt that he was buckling under to political pressure to deliver up long-serving senior naval officers as a result of what this week's Navy Times calls "overblown" sex scandals.

Weekend birthdays

IT'S ALWAYS a happy birthday for the Holy Father. Of course. John Paul II, 76 today, is convinced his destiny is to bring Mother Church through the swamp of 20th-century "indifferentism" (the liberal heresy that it doesn't matter what you believe) safely into the third millennium. That's why the bullets of the assassin Agca missed, and are now in the shrines of Our Lady of Fatima in Portugal and at Czestochowa in Poland. Another young lieutenant, a weapons officer on the John Earl destroyer.

Today's other birthdays: Holly Alder, actress, 37; Sir Richard Body, Conservative MP, 65; John Bruton, Irish Taoiseach, 48; Carverles, fashion designer, 54; Peter Perry, singer, 84; Sir Patrick Cormack, Conservative MP, 67; Roger Davis, golfer, 45; Graham Dilley, cricketer, 37; Prof Sir Anthony Epstein, pathologist, 76; Brian Fletcher, singer, 49; Prof Geoffrey Hall, nuclear scientist, former director, Brighton Polytech-



nic. 68; Lord Hartwell, former editor-in-chief, Daily and Sunday Telegraph, 86; Keith Hellewell, Chief Constable, West Yorkshire, 54; Prof Ceila Hoyles, mathematician, 53; David Jamieson, Labour MP, 68; Malcolm Kangar, astronomer, 55; Miriam Margolyes, actress, 55; Yannick Noah, tennis player, 38; Peter Ryan, national director, Police Training, 52; Lord St John of Fawsley, chairman, Royal Fine Art Commission, 67; Jacques Sauter, president, European Commission, 59; Walter Sisulu, South African nationalist, 83; Norbert "Nobby" Stiles, former footballer, 54; Rick Wakeman, rock keyboard player and composer, 47; Toyah Willcox, singer, 38; Charles Wintour, editor and journalist, 79.

Tomorrow's birthdays: Prof John Ball, mathematician, 48; Candice Bergen, actress and photo-journalist, 50; John Bradbury, violinist, 62; Francis Commins, British Trade Commissioner, Hong Kong, 54; Dr Edward de Bono, lateral thinker, 68; Dame Ann Ebsworth, High Court judge, 68; Nora Ephron, screenwriter and director, 58; James Fox, actor, 57; Prof Gillian Gehring, Head of Physics, Sheffield University, 55; Morzna Hookley, Prof of Divinity, 65; Baroness Hylton-Foster, patron, British Red Cross Society, 86; Helen Jackson, Labour MP, 57; David Jacobs, broadcaster, 70; Graeco Jones, rock singer, actress, 44; Robert Kilroy Silk, broadcaster, 54; Roger Laughton, director of broadcasting and entertainment, United News and Media, 54; John Lyons, former general secretary, Electrical Power Engineers' Association, 70; Brian MacNulty, Labour MP, 51; Michael McGowan, Labour MP, 55; Paul Moriarty, actor, 60; Dr Max Perutz, OM, CM, Nobel laureate, molecular biologist, 82; Pete Townshend, guitarist, singer, poetry editor, 51; Stephen Varcoe, baritone, 47; Sandy Wiseman, composer and playwright, 78; Victoria Wood, comedienne, 43.

Letters

Roy Pennington writes: Your obituaries page has always been a learning experience: a varied mixture of the famous, infamous and unknown. However, to devote so much space to a bulldozer (obituary, May 10) plus a gory photo of him displaying his bloody trophies was an insult. The cynosure of the obituary was littered with the staid jargon of this blood-spout just like Hemingway, this is done simply to elevate it to a pseudo-intellectual and romantic status.

The final insult is to translate "corrida" as "boxing (sic) and killing a bull"; to describe animal torture as a kind of training and education is appalling.

Betsy Smithers writes: Fifty years ago this summer I obtained my first teaching post at Canterbury College of Art. It was there that I first met Robert Faine (obituary, May 2) — a dashing handsome man who cut a stylish figure in his Tattershall check shirts, leather-elbowed Harris tweed jackets and corduroy trousers.

I was in the college's design school whereas Robert, Mr Faine to me then, was head of the school of architecture which he founded. We only met in the staffroom but his formidable personality was obvious. Although I was in awe of him, he was always very kind to me — a new colleague half his age.

Death Notices

He raised money for his department by raffish pieces of work made by his students. On one occasion he was offering a small bedside cabinet in typically 'British Can Make It' style; chunky and simple. The raffle tickets cost just 6d (3.5p) each, and I won. This piece of furniture has lived with various members of my family through the years, showing its age with many layers of different coloured paints. My daughter now has it and while it is around it will always bring Robert and his influence to mind.

CHAPMAN, Mrs Vera May, passed away peacefully aged ninety-eight on Tuesday 24th May 1996, at her home, 14th Avenue, Kew. Family and friends: Mary, grandchild and great-grandchild; The Family; St Martin's Church, Regent's Park Rd, London NW1 on Friday 26th May at 10pm in St Mary's Church, Regent's Park. Flowers by request only. Contact: Mrs J. Chapman, 14th Avenue, Kew, Surrey TW9 2LQ. (081-8725 5565)

In Memoriam

JAMES, Harry, passed away peacefully on Thursday 24th May 1996 at his home, 21st May St John's Park, London NW1. Family and friends: Mr and Mrs J. James. Flowers by request only. Contact: Mrs J. James, 21st May St John's Park, London NW1. (020-733 2882)

Births

Wendy & David wish to announce the birth of Oscar Jay O'Rourke, a handsome boy, born 28th April 1996, at home. For further announcements telephone 0711 712 4567. Fax 0711 712 4522.

Face to Faith
Gap that needs a bridge

FOR some time after the assassination of the Israeli Prime Minister Yitzhak Rabin, some religious Jews felt uncomfortable wearing a yarmulka in public spaces, for fear of being associated with the extreme right. The polarisation between the religious and secular segments — painfully highlighted by the national trauma of Rabin's violent death — is not a uniquely Israeli phenomenon but applies to Jewish communities in the diaspora as well. Are there two mutually exclusive Jewish worlds?

This question is the religious and the secular was the topic of the Jacob Sonntag Memorial Lecture given in London this week by Professor Aviezer Ravitzky, a leading Israeli philosopher and political thinker. Ravitzky, an orthodox Jew, is also one of the most prominent representatives of the moderate religious peace camp in Israel. He votes (Israeli Labour, has participated in many Peace Now demonstrations and supports secular causes which are anathema to most religious Jews.

Is there a link between our religious beliefs (or lack of them) and political affiliation? There seems an underlying prejudice in favour of assuming that orthodox Jews are more likely to support conservative causes. However, judging by the political performance of the British Chief Rabbis, past and present, the boundaries are blurred to say the least. While the former Chief Rabbi Lord Jakobovits could be seen as a supporter of the Tory establishment in this country, he is also a fervent believer in trading territory

for real peace in the Middle East — a rightwinger here and a leftwinger as far as Israel is concerned. Chief Rabbi Jonathan Sacks, on the other hand, can more adequately be described as a cautious supporter of Labour causes in Britain and a no-no-curious supporter of rightwing religious interests in Israel.

Professor Bernard Wasserstein, chairing the lecture, pointed out that Sacks had chosen to attend a different lecture that night, given by Rabbi Nachum Rabinovitch, who is identified with West Bank settlers — ie, Jewish fundamentalist groups. Ravitzky lightened this remark by suggesting that he and Rabinovitch ought to switch places. But he also pointed out that the two audiences do not speak the same language. Their political goals are different because their way of interpreting and

understanding history is different. One side uses prophetic and messianic discourse, the other thinks in terms of social and economic factors. In 1968, three years after the Holocaust, the two sides could reach a compromise, finding a common denominator — the State of Israel. This common denominator was a false one. Ravitzky says: each side felt the other would weaken and disappear. The secular believed orthodox would give in to secularism; the orthodox were convinced secularism, being spiritually empty, would be conquered by the need to return to religious roots.

Yet the dichotomy has grown and each side has become stronger. The religious have gained political power, being spiritually empty, would be conquered by the need to return to religious roots. Yet the dichotomy has grown and each side has become stronger. The religious have gained political power, being spiritually empty, would be conquered by the need to return to religious roots.

choice. Therefore, it is of little importance whether the person occupying the office of the Chief Rabbi is a conservative or a socialist, whether he is aligned with the peace camp in Israel. Rabin was killed, in part, because of the unrestrained verbal fanaticism of the ultra-orthodox right. During many memorial services, numerous speeches were made by those who could have done more to prevent the danger of violence from spreading.

Today, two weeks before the Israeli election, one would have wished to see a much more mixed audience come to listen to a lecture on secular-religious polarisation. If it was possible to reach a modus vivendi after the Holocaust, perhaps this time of crisis and national trauma for the Jewish people could trigger another compromise.

Elena Lappin is editor of the Jewish Quarterly

Doonesbury Flashbacks

OKAY, WERE BACK-AND NO LONGER UNDER A DOONESBURY CARE! AS A MATTER OF FACT I'D BE HONORED TO BE A PRIVATE NATURE. AM, WHAT THE HELL- NO ONE'S LISTENING TO THIS ANY-ANY-ANY SHOOT! WELL, IT TURNS OUT YOU'RE SAYING... CORRECTION: IT'S ONLY GAY. THEN WHY IS IT RE-PROCESSED CLASSIC DENIAL!

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Railtrac

MoneyGuardian

Euro-vision hits right note as savers look to future

High-street sales feel Tessa pinch

The single currency got an unexpected lift this week when the building societies held their annual meeting

Mark Milner and Teresa Hunter

SAVERS and borrowers could push Britain towards a single European currency ahead of the political agenda if the UK decides to opt out of the euro in 1999.

Financial institutions are gearing up to meet demands for euro-denominated savings accounts, bank accounts, endowment policies, loans and credit cards, which they believe will be triggered by even a limited alignment of European currencies.

Foreign currency accounts and loans are already available, but have failed to capture the public imagination. However, institutions believe the demand for euro facilities will be significant, if it becomes the main currency of Europe — as people increasingly travel and work abroad. Bradford & Bingley chief executive said: "Whether Britain joins a single currency immediately or not, we are preparing to run dual systems for savings and loans."

"We believe there will be a big demand, particularly for euro savings accounts — and that demand will be on a completely different scale from anything we have seen before."

"If the euro becomes a stronger currency than sterling, savers will look to it for stability — even if the interest rates are lower."

David Kern, group chief economist at NatWest, expects savings rates to fall anyway after the introduction of a

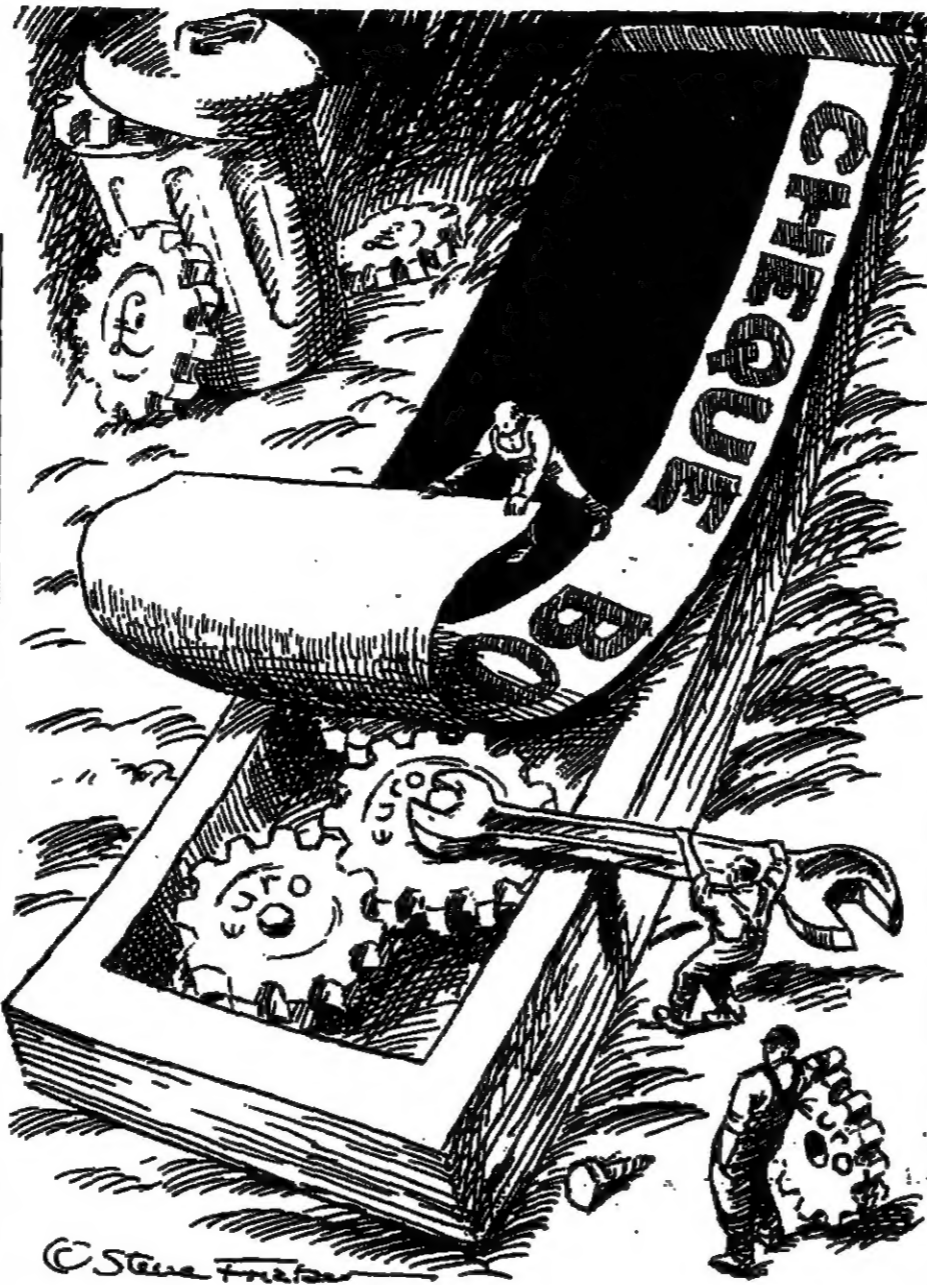
single European currency. He said: "If all things remain equal, interest rates will be lower. Mortgage and savings rates should come down because of greater stability. One knock-on effect is that the housing market will be less bubbly because of a steady environment."

A Legal & General spokesman said insurance companies would be quick to respond to any demand for Euro-based long-term savings accounts. He said: "It is possible that, as pressure for the UK to join a single currency builds, home buyers may want to take out euro-endowments, because they believe that ultimately that is what their 25-year contract will become." Cheltenham &

Gloucester chief executive Andrew Longhurst believes euro-mortgages could prove popular with UK borrowers, if they have lower interest rates in line with the 5 per cent currently

charged on deutschmark mortgages. But he warned that consumers were completely unprepared for the complexities ahead. He said: "We could reach the stage where estate agents start to quote house prices in euros for people who wish to take out euro mortgages. Home buying is already a horrendously complicated affair. This could turn it into a nightmare."

Halifax assistant general manager Gary Marsh accepted that if there was a big demand for euro savings accounts institutions would seek to match them with mortgages. He said: "Our main concern would be security. If



it came to repossession we might be left with a depreciating sterling asset secured against a loan denominated in an appreciating currency."

British home buyers can already purchase their properties using, for example, yen, marks or even eu-denomi-

nated mortgages. But the prospect of lower interest rates is counter-balanced by the risk of higher capital repayments if the pound falls against the mortgage currency.

That, however, will change if and when Britain does sign

up for the single European currency. According to the timetable for monetary union laid down by the European Monetary Institute (EMI) — the European Union's putative central bank — the first stage should take place on January 1, 1999. At that point,

countries will irrevocably lock their exchange rates (which means that the relative values of the currencies involved will not be allowed to change).

But while that will allow financial markets, banks and companies to use the euro in pricing business deals, contracts and when drawing up their accounts, it will still be some time before the euro appears in banknote or coin form. The EMI suggests this will happen not later than three years after the locking of exchange rates, which could put it in 2002, with a six-month period when national currency and euro notes circulate side by side.

As the Bank of England recently noted: "Whether the UK is in or out, we believe that the focus of preparations now and in the immediate future should be on wholesale financial activity, issues relating to retail activity, which would only be relevant if the UK were to become a participant, are less immediately pressing."

The British Bankers' Association sees cash machines as one of the biggest obstacles in the changeover to a single currency. Although the transfer to the euro may be a gradual process, cash machines are likely to issue sterling right up until January 2002 for technical reasons. Cash dispensers will have to be fitted with new software and components as a part of a £20 million operation. The cost of printing and mailing cheques and information booklets is expected to amount to £174 million.

In a report on the implications of a single currency, the Association for Payment Clearing Services (APACS) said that cards which carry a cheque guarantee limit in sterling would probably be valid for up to two years after the introduction of the euro. APACS assumes that credit and cashcards will not need to be re-issued before their normal expiry dates. Banks are also expected to issue euro-currency cheques designed for use after January 1 2002.

Money Guardian is edited by Margaret Hughes

FIGURES gleaned from this month's Bank of England's inflation report show that the expected boom in retail sales failed to materialise because 51 per cent of funds on deposit in maturing Tessa accounts were re-invested in follow-up Tessas.

A further 20 per cent were deposited in other savings accounts with only 20 per cent paid out to investors.

The news comes as Tessa providers step up their endeavours to woo savers with bulging balances in their maturing Tessa accounts.

NatWest has launched a new Tessa paying an attractive 7.45 per cent for five years. Under the terms of its new account, investors will need at least £5,000 from their maturing Tessa. Interest payments, which are credited quarterly, will return a total of £2,888 to savers investing the full £5,000 after five years — making their initial investment worth £12,888.

The Bradford & Bingley Building Society is offering a new issue Tessa with rate fixed at 7.4 per cent for the next five years. The society

will pay interest yearly, turning the full £5,000 investment into £12,880 after five years.

Savers keen to invest in a fixed-rate Tessa will have to move fast. The Bradford & Bingley says its fixed-rate Tessa is only available for a limited period.

However, savers will benefit from putting to powder whether interest rates are likely to rise above 7.5 per cent over the next five years. Tessas with the 7.45 per cent rate of return — the only one worth having if interest rates stay at current levels or drop lower, during the five-year term.

After the fall in annual rate of inflation to 2.4 per cent reported this week, most investment analysts are agreed that rates will not rise, and are likely to hover around the current level of 6 per cent this year and climb in 1997, with an expected rise in consumer spending and increased fears of inflation.

But the celebrations are expected to be less dramatic than in the recent past. Interest rates are not expected to swing wildly. The Government's policy of keeping the annual inflation rate below 2.5 per cent will not allow the economy to overheat too much.

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Railtrack sale sparks war of Sids and stags

Ian Wylie

BUYING shares in Railtrack was the easy part. Knowing what to do with them once dealing starts on Monday will separate the stags from the Sids.

More than 650,000 private investors applied for Railtrack shares in a public offer that was almost three times subscribed. As a result, the partly paid shares are expected to open at a price of between £10p and 215p compared with the 190p that private investors paid.

The popularity of the £1.9 billion Railtrack sell-off com-

pares favourably with the 1 million people who applied for the £4 billion sales of the power generating company shares last year. However, brokers remain divided on whether Railtrack investors should make a quick killing or seek long-term gains.

With the Government allocating up to half of the issue to private investors, institutional investors will be keen to mop up as many Railtrack shares as possible in the first couple of days, when shares are likely to continue trading at a premium.

But Matthew Orr, a director of private client stockbroker Killick & Co, warns investors not to hesitate if they intend to

take their profits early. "If you are going in to stag, then stay a stag," he says. "If you have decided in advance what price you want the shares to achieve, and they hit that target on day one, then take your profits."

Mr Orr is advising clients to take a longer-term view. Out of pre-privatisation profits, Railtrack is using £69 million to pay a juicy dividend in October of 17.8p a share before tax, and analysts calculate that the company is likely to provide a first-year yield of 14 per cent.

The Railtrack share price is expected to take a hit in October when some investors pocket the plum dividend and

depart, but Mr Orr believes Railtrack can follow the success of one of the first privatised companies, BAA, and continue to offer shareholder value by profiting from its property portfolio.

EVEN the threat of a tougher regulatory regime under a Labour government does not puncture Mr Orr's optimism.

"The stock market hates uncertainty," he says, "but as a general election approaches, and Labour's policies unfold, much of that uncertainty will be dispelled."

Eric Hathorn, research director at stockbroker Henderson Crosschwaine, is much

less sanguine about the effect of tighter regulation on dividends.

He says: "A Labour government would be stuck with the existing regulatory formula for a few years, but they will be keen to beef up the regulator's other powers."

"Since Railtrack's biggest source of profit will come from cutting costs, a Labour government will be watching like hawks to make sure the company does not boost dividends at the expense of safety."

Mr Hathorn points to the experience of British Gas investors this week as an example of how a tough regulator can wipe out gains made on the issue price. He says: "The

Railtrack issue has been dressed up for the oven and may be profitable for those who want to stag it. But from a long-term view, I have yet to be convinced."

Investors planning to hold their shares at least until October have until June 28 to transfer their Railtrack shares into a general or single-company Peps. Peps manager Reyler Securities, which launched a series of Peps to coincide with previous privatisation issues, says investors should ensure that their Peps managers have the necessary administration systems to cope with partly paid shares where instalments are due in subsequent years.



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SCOTTISH WIDOWS

Labour renews threat of windfall tax amid charges that electricity consumers come second to shareholders

Power investors get £1.6bn

Simon Beavis
Industrial Editor

NATIONAL Power yesterday staked up a new row over the rich rewards still on offer for shareholders from electricity privatisation when it unveiled Britain's biggest corporate hand-out to investors, with a package worth £1.6 billion.

The move immediately prompted Labour to renew its threat of imposing a windfall tax on the utilities, amid charges that the electricity sell-off was continuing to favour shareholders at the expense of consumers.

Shadow Chancellor Gordon Brown said: "Not only should the shareholders benefit, the British public as a whole should benefit from the excess profits of the privatised utilities. Today's news makes it clear that the company is paying for a comprehensive package to allow it to avoid the 'windfall' of high electricity prices. The Shadow Industry Secretary, Margaret Beckett, also renewed her call for a radical overhaul of the privatised utilities to ensure that they are not exploiting customers to reward senior executives and shareholders."

National Power said it was to give its shareholders a special dividend worth £1.1 billion on top of a 49 per cent increase in annual dividends costing £200 million.

With big institutions able to get a tax break on the special £1.6-share pay-out, the hand-out is worth £1.6 billion.

The widely forecast move follows the Government's decision to stamp on the company's ambitions to take over the regional electricity company Southern Electric. The Monopolies Commission had given the green light to National Power's £2.5 billion bid and a similar bid by its smaller rival, PowerGen, for Midlands Electricity.

The Trade Secretary, Ian Llang, argued three weeks ago that allowing the generators to buy regional supply companies would represent an unacceptable level of vertical integration in the power industry that could damage competition and hurt consumers.

Although PowerGen has attacked Mr Lang's decision to block the bids as politically motivated, National Power has decided to get on with rewarding its shareholders.

National Power further aroused opposition anger over the pay-out by hinting it would look for authorisation to buy back shares in a move which would give another boost to earnings and shareholder returns.

The special dividend was announced alongside results rushed out yesterday, as speculation over the size of the shareholder package reached fever pitch and sent the shares shooting up.

In the year to the end of March, the company saw its profits rise by 10 per cent to £298 million despite a small fall in sales to just under £3.95 billion. The dividend for the year is rising from 15.45p last time to 23p.

The company is in the process of completing the sale of three power stations to Hanson in a deal worth £1.7 billion and which will see its market share reduced from 32 per cent to 26 per cent.

The chairman, John Baker, said: "National Power has experienced a turbulent year. But he said completion of the power station disposal to Hanson should remove uncertainties from the business."

National Power's special dividend, perhaps the biggest in British corporate history, is rubbing salt in the wounds of those who feel the price at which the industry was sold was far too low. Yesterday's pay-out is the equivalent of almost a third of the price at which shareholders were allowed to buy into the company in the first place.

To add insult to injury, tax breaks for big institutions will mean the value of the dividend package will climb to £1.6 billion.

Predictably, the pay-out has reignited the political row over just how much money Britain's utilities should be allowed to earn.

Mr Brown, the shadow chancellor, was quick to see National Power's move as justifying a windfall tax on the industry. The company may not be too unhappy about the immediate political fall-out. It can hardly have been happy with Trade and Industry Secretary Ian Llang's refusal to allow it to buy a regional electricity company.

Amid the politicking one thing stands out: UK electricity privatisation was, at best, a botch and, at worst, a cynical attempt to flog valuable assets on the cheap ahead of the 1999 election.

Insufficient thought was given to creating competition among the generators, a continuing headache for the regulator and the Government.

Law price controls allowed the power companies to push up profits from £2.6 billion in 1991 to £5.5 billion last year, although sales rose by only £4 billion in that time. By contrast, customers have seen their bills fall by a relatively meagre 10 per cent.

The Adam Smith Institute may see the whole exercise as an example of the rest of the world. Yes indeed. An example of how not to do it.

Saturday Notebook

Britain's electric shock for the world



Edited by Mark Mifner

THE Adam Smith Institute displayed a fine sense of timing yesterday. Just as the free-market think tank, in a general peacen of praise for electricity privatisation, grudgingly admitted that the exercise was slightly skewed in favour of shareholders and managers - what happened? Up popped National Power with a £1.6 billion handout to investors.

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tion of financial market verdicts as "implacable and pitiless", but they may also feel that there is a lot more to life than the role Mr Tietmeyer has chosen for them - that of the watchdog of the Monetary criteria for monetary union.

For the Bundesbank, the notion that the financial markets will impose on Europe's politicians the economic realities associated with its view of monetary union is no doubt attractive. It remains to be seen, however, whether they are really that well suited to the job.

Politicians and central bankers are well aware of the power of markets. That was the lesson of the exchange rate mechanism crises of 1982 and 1993. But, as the Guardian's European Editor, John Palmer, points out on page 38, so far there has not even been a warning growl, let alone a bark, from that quarter over the monetary union. And that should not be too great a surprise. Back in the days when the ERM was the favoured vehicle for a single currency, the markets were swayed by the apparent political will behind that drive towards monetary union to blunt them to economic danger signals.

Only when it became apparent that at least one institution was not prepared to sacrifice its economic imperatives on the altar of monetary union did the markets decide the game was up and respond implacably and pitilessly. And which institution was that? Why, the Bundesbank.

Empty Kitty

NO politician wants to go into an election year without any money to spend. But if yesterday's evidence of the state of the public finances is anything to go by, that is exactly the position in which the Chancellor of the Exchequer finds himself.

Having set a target of £22.5 billion for the public sector borrowing requirement this year and said *ad nauseam* that he is committed to keeping the public finances under tight control, Kenneth Clarke faces a stark choice.

He can all but guarantee his goal by raising taxes and depriving his Cabinet colleagues who head spending departments of the cash they will inevitably demand this year. Or he can abandon his target in favour of a much more politically attractive spread of income tax cuts and money for the public services.

As the doctors accuse the Government of precipitating "melt-down" in the NHS with their financial reforms, and the public rails against teacher/pupil ratios in our schools, the prospect of denying Ministers more money looks politically suicidal.

The pressure from backbench Conservatives to slash income tax is also set to grow unless their party achieves a so-far unexpected leap in the opinion polls.

Mr Clarke and Treasury chief secretary William Waldegrave will have to pin their hopes on strengthening consumer spending to boost revenue in the form of VAT receipts if they want to lavish money on popular projects without unbalancing the public finances.

But they may ask themselves why they should bother. Given the probability of a Labour government, Conservatives might see little gain in putting the books in order for somebody else at the expense of vote-winning spending.

Yorkshire egos expand as business tykes get together

Martin Walkwright

WITH two tonnes of food and a huge sigh of Yorkshire self-satisfaction, England's largest county created business togetherness yesterday. At Harewood House near Leeds, in the company of speakers Lech Walesa, Angus Deayton (right, with NatWest Jazz Band) and ex-Taoiseach Albert Reynolds, 1,710 chief executives and board members, all from Yorkshire companies, logged up millions in deals.

"Yorkshire is a vibrant and diverse business community," said Mike Firth, chairman of Yorkshire Foods and promoter of the Yorkshire Business Conference.

One revelation was the Yorkshire connection (via her husband) of Chinese writer Yung Chang, author of the best-seller *Wild Swans*.

Jeremy Walker of the Government's regional office said they would soon "discover the remains of the world's earliest man here, probably dug up by Yorkshire Water".

PHOTOGRAPH: JUSTIN SLEE



Hinchliffe attacks DTI threat to ban him

Tony May

STEPHEN Hinchliffe, the 45-year-old chief of the British second-largest private retailer, with sales of £250 million, 850 stores and 8,500 employees, may be banned from being a director.

The Department of Trade and Industry is seeking to disqualify Sheffield-based Mr Hinchliffe, who last night said allegations against him were unfounded and he was confident of clearing his name.

Mr Hinchliffe has built up Facia over two years by acquiring some of the UK's best-known brand names, including Sock Shop, Red or Dead, Saxone, Freeman Hardy Willis, Salisbury's and Mayfair Trunks. The group's last acquisition was in March when it bought a chain of Bata shoe shops in Germany.

While the DTI move relates to the collapse, soon after he sold it, of a company called Boxgrey, Mr Hinchliffe would not be able to continue at Facia if he were struck off.

The DTI said that it had applied to the courts for an order under section 6 of the Company Director's Disqualification Act 1986, against Mr Hinchliffe and Christopher Harrison, both former directors of Boxgrey. The hearing will be in Newcastle upon Tyne on August 1.

Mr Hinchliffe said last night that Boxgrey, formerly a maker of tennis courts called En-tout-cas, went into liquidation two years ago and was a subsidiary of a holding company which he sold prior to liquidation.

"I did not have executive responsibility for the group and was not responsible for placing it in liquidation," he said.

"I was only provided with brief details of the allegations against me on May 9 in the form of a one-page letter."

Mr Hinchliffe added that he had submitted a dossier "which, in the view of my lawyers, substantially undermines all the allegations that have been made against me."

He said the DTI had made its move despite his request that it take more time to consider matters. He hit out at "unbalanced reporting" of his affairs and said he had already begun proceedings against some newspapers.

Mr Hinchliffe is also under threat of legal proceedings from Companies House if Facia's accounts for the year to the end of January 1996 are not filed by July 1.

A spokesman for Mr Hinchliffe saw no reason why the accounts would not be filed in time and said Facia had "liaised regularly with the relevant officers in Companies House regarding the delay in filing the outstanding accounts".

Facia accounts for the period up to January 1995 mostly pre-date its ambitious expansion. Accounts for the period covering its meteoric rise are well in hand, the spokesman said.

News in brief

Ford reverses to £213m UK loss

The British arm of Ford reported a 1996 loss of £213 million on turnover of \$3.4 billion. In the previous year, Ford of Britain logged a profit of £25 million, on turnover of \$5.8 billion.

Ford blamed adverse currency exchange rates and the costs of launching three new models - the Fiesta, the revised Escort and the Galaxy.

Although Ford would not comment on progress in the first quarter of 1996, it said that the vehicle market continued to be flat. Last year, 1.95 million cars were sold in the UK with Ford accounting for 310,722 - 21.1 per cent of the market.

Exchange chief to give Sids a say

Patrick Donovan
City Editor

PLANS to shake up the structure of the Stock Exchange by giving private client brokers their first direct say in running the market will be unveiled today by its chairman, John Kemp-Welch.

In a speech in Manchester he will disclose that he is looking to set up a special steering committee to concentrate on private client business.

Mr Kemp-Welch is also expected to reaffirm the importance of share-buying by individuals to the City, pointing out that this market now accounts for six out of every ten share deals struck in London.

The decision to form the committees will be seen as part of the Exchange's response to the Treasury-backed "Weinberg Committee" which was set up to look at ways of revitalising public interest in share ownership.

This committee is due to present its findings next month after a year-long examination of every aspect of the private client market.

Its conclusion will represent the most exhaustive reassessment of private ownership of equities since Mrs Thatcher launched Britain's privatisation programme with the pledge to create a "share-owning democracy".

In his speech, Mr Kemp-Welch will promise to examine all aspects of the Exchange's work and the prices it charges.

"We have a common interest in seeing the number of investors grow and I expect the Weinberg report to help stimulate public debate", he will tell his audience.

Although Mr Kemp-Welch is expected to refer to the pursuit of a replacement for former chief executive, Michael Lawrence - who was sacked by the Exchange earlier this year - he will give no clue as to when the post will be filled. It is understood that the Exchange is likely to opt for an external candidate.

Copper crash baffles experts

PATRICK DONOVAN, TONY MAY and OWEN BOWCOTT chart the panic as big dealers unload 'long' positions

COPPER prices crashed by up to 5 per cent on the London Metal Exchange yesterday, with traders panic-selling on persistent rumours that some of the market's biggest dealers had decided to unwind "long" positions.

The headlong plunge saw the benchmark price of copper fall by more than \$140 (\$53) a tonne. But prices eased up towards the end of the trading session, to close down \$128 at \$2,515 a tonne.

One leading US source said: "I've never seen prices go down like this." Others added that they were increasingly confused by "very strange" patterns in trading. An economist added that the price fall was "much larger than normal trading movements".

Dealers were speculating that leading Japanese player Sumitomo was foremost among traders looking to unload long positions and that Jasuo Hamanaka, one of the most influential players in the global copper market, had been moved to a new job within this organisation, which means that he no longer has a direct trading function.

This could affect several leading UK players which are understood to have formed close trading relationships with Sumitomo through Mr Hamanaka.

"It is thought that he is being 'rotated' within the company. Under this common Japanese practice, designed to broaden the experience of key staff, jobs are swapped around."

In this case Mr Hamanaka would become the assistant managing director of non-ferrous metals from June 1, instead of being general manager. The company was yesterday unavailable for comment.

Traders said there were rumours that George Sorey, who made billions when the pound was forced out of the ERM on Black Wednesday,

Court defeat spells larger settlement bill for Lloyd's in battle with Names

Lisa Buckingham

THE distressed Lloyd's of London insurance market faces the prospect of being forced to sweeten further its £3.1 billion settlement offer to Names, or investors, after losing a test case yesterday.

The High Court ruled that Lloyd's did not have the right to lay its hands on cash compensation which litigating Names have been awarded in a number of legal battles.

Its decision means Lloyd's will not be able to use about £300 million of funds, currently held in escrow accounts following court judgments dating back to 1992, which awarded Names cash compensation against underwriting syndicates.

"This setback comes as US investors are increasingly confident that they will be able to challenge any attempt by Lloyd's to force them to contribute towards about £9 billion of losses which the market has incurred in recent years. Lloyd's admitted that yesterday's decision was a "disappointment" but said it planned to appeal against the judgment and denied that the ruling would mean any rethink of its offer of court settlement package.

Lloyd's chairman, David Rowland, had earlier told the court that it was crucial to the market's reconstruction plan that litigation monies should be available.

Alan Porter, chairman of the Devonshire Names Action Group and a member of the committee handling the litigation for investors, said: "The judgment has exposed Lloyd's practice of riding roughshod over legal rights."

Under the recovery plan, which will be put to a vote of Names in July, the court proceeds have been earmarked to help finance some £900 million of debt credits to investors. Lloyd's appeal is unlikely to be heard before that deadline.

Christopher Stockwell, chairman of the Lloyd's Names Associations' Working Party, said he expected to see a substantial improvement to the overall settlement offer.

Clarke says Cabinet must choose tax cuts or services

Sarah Ryle

CHANCELLOR Kenneth Clarke is to force Cabinet colleagues to choose between tax cuts or cash injections for public services to meet tough targets for the public sector finances.

The Government's goal for the public sector borrowing requirement of £22.5 billion for this year is already under threat after figures yesterday showed the total for April alone was £3.3 billion.

Mr Clarke told colleagues if they wanted room for tax cuts, they should restrain their demands for cash at the Cabinet's first meeting of this year's public spending negotiations.

Although the April figure, not seasonally adjusted, was £400 million lower than at the same time last year, City analysts said it would have to be an average £200 million lower each month to meet the November Budget forecast. Treasury officials said the Chancellor would keep a careful hold on public sector spending.

But the prospect of another overshoot (the final 1996-97 PSBR was £2.9 billion more than the £22 billion forecast) sent an immediate tremor through the City, with gilt easing and sterling dipping slightly against the German mark yesterday.

City analysts said that the political pressure to implement tax cuts worth anything up to £5 billion (equivalent to about 3p off basic income tax) and spending on popular public services could prove too much for the Chancellor.

UBS analyst Alex Garrard said: "The PSBR is firmly on course to over-run the Treasury's target of £22.5 billion for the current financial year. Mr Clarke's scope for tax cuts has all but disappeared."

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Moves to shed communist legacy may not avert bankruptcy or convince aid officials

IMF sees Bulgaria on headline

Julian Borger in Sofia

IF BULGARIA had wanted to put on a display of economic collapse for the International Monetary Fund team visiting Sofia this week, it could not have been better orchestrated.

The IMF's arrival has coincided with a run on the national currency, the lev, a severe banking crisis and the worst bread queues since communism.

To make matters worse, the head of the mission, Ann McGuirk, was provided with first-hand experience of the rising crime rate when she had her bag stolen from a Sofia restaurant.

After 16 months of relative inaction, the governing Socialist Party (BSP) has agreed to close 64 loss-making state firms and to start shut-

ting banks, after it became obvious the country is facing bankruptcy.

Foreign currency reserves fell to \$483 million this week, more than \$58 million short of the debt-servicing payments due in June and September.

With such limited reserves, the central bank was unable to come to the defence of the lev, which lost 13 per cent of its value on May 8.

The IMF team arrived to witness account-holders besieging the banks to demand their deposits.

Only a spectacular interest rate rise restored stability.

In one of Europe's most fertile countries, the bread shortage has been the most dramatic failure of the BSP government.

So much wheat was exported last year to take advantage of high prices that there is insufficient to meet domes-

tic demand. Grain is being released from national reserves, but as soon as bread appears in the shops it is bought up by hoarders.

The banking and bread crisis has had a sobering effect on the BSP.

The party won a parliamentary majority in December 1984 but its complacency was shattered by the growing threat of civil unrest.

At a stormy leadership plenum on Sunday, Zhan Videnov won approval to start closing unviable state enterprises.

A plan to restructure the banking system was submitted to the IMF last month, with the government proposing to close the three main loss-makers. But it argued that it could not afford the \$46 million it would cost to pay off depositors.

Parliament approved a

bankruptcy law this week, giving the Bulgarian National Bank greater powers to close or restructure ailing banks. A parallel deposit insurance bill has yet to be voted on.

The list of 64 enterprises to be liquidated, published on Wednesday, represents a combined loss of £113 million last year. The list includes including Bulgaria's second-biggest oil refinery, four mines and a dozen vegetable-canning and meat-processing plants, and the closures will bring 29,000 job losses.

The government has drawn up a second list of 70 companies, (including Balkan Airlines, and the metallurgical company Kremikovitsi) which will be cut off from further bank credit and forced to undergo restructuring.

The main question now facing the IMF and World

Bank missions is whether the government will stick to any restructuring agreements it makes in the coming months.

A significant wing of the BSP comprises old-style communists and most of its supporters are industrial workers who will suffer the brunt of the retrenchment measures.

Furthermore, the government has shown itself to be a reluctant reformer. The country's planned mass privatisation programme has yet to get under way, and cash privatisations have virtually ceased.

Alexander Boshkov, an economist from the opposition Union of Democratic Forces, predicts that Mr Videnov will string the IMF along, delaying the closure of state factories until presidential elections, due in about six months.

"It won't happen," Mr Boshkov said. "They are not going

to kill the goose that lays the golden egg."

Most diplomats and independent analysts are more upbeat, arguing that the IMF is not easily fooled, and the government has run out of alternatives. "I think they're motivated enough and hypocritical enough to proceed with the scheme—that is, to pursue policies diametrically opposite to their platform in 1984," said Krassen Stanchev, head of the Institute for Market Economics in Sofia.

But while this might increase social tension, sticking to an IMF programme might not be enough to protect Bulgaria from further financial crises. Even with an IMF loan expected to be £135 million-£186 million, central bank reserves could be almost wiped out by this year's debt repayments, further sapping confidence in the lev.

Oslo complains of being in cold on Trafalgar deal

Patrick Donovan City Editor

THE \$902 million takeover of Trafalgar House by Norwegian-based Kvaerner is being investigated by the Oslo stock exchange, which is concerned that the deal may have breached market regulations.

According to a letter which has been circulating around Oslo-based broking houses, the exchange's state-chartered auditor, Geir Olsen, is considering whether Kvaerner "acted contrary to two exchange regulations" governing takeover bids.

These require any bidder to give full disclosure to all shareholders with interests in a particular takeover bid.

The engineering and shipping combine Kvaerner won control of Trafalgar House, best known for running the QEE2 cruise liner and its construction activities, last month.

Kvaerner yesterday acknowledged that it had received a letter from the Oslo stock exchange "seeking some clarifications" about the deal.

It added that the company "is satisfied that it has kept the Oslo stock exchange fully informed on the takeover of Trafalgar House. This has been discussed with the ex-

change and Kvaerner foresees no further problems."

SBC Warburg, the merchant bank which was hired to carry out the offer on behalf of Kvaerner, declined to comment.

The exchange appears to be concerned about the failure of Kvaerner and its advisers to provide the market with full information when the bid was announced.

In the letter, the exchange complains that, despite "assurances", information was given to London-based investors which had not been available to Oslo-based institutions, even though Kvaerner is a Norwegian company.

The letter also says that details of the original offer had not been sent because of an "error" made by SBC Warburg.

The letter to Kvaerner director Jan Magns Hegelund, said that an explanation was required about why the company and its advisers failed to follow market rules by keeping investors abreast of details of the bid.

It also criticises directors for releasing selective information about deals to reduce borrowings through asset disposals and financial profit forecasts, and says that these details had not been generally available.

EC pours oil over monetary union forecast

Market silence greeted Commission's EMU hopes, writes JOHN PALMER in Brussels

THE European economic slowdown and unemployment are worse than expected, the timing and strength of recovery is in doubt, most European Union countries still do not meet the Maastricht treaty conditions for joining a single currency—but the dog still has not barked. The most eloquent comment so far on the latest Commission predictions about who will make the 1999 single currency deadline, has been the silence of the international financial markets.

It is unlikely that the markets take at face value the Commission's detailed economic forecasts or the remarkably precise prediction that Germany will reduce its budget deficit from over 4 per cent to just 2.9 per cent in 1997, with France actually hitting the 3 per cent limit right on the nose.

But there is no sign that the markets are ready to challenge EU leaders' confident insistence that monetary union will indeed start as planned in 30 months time.

At present, only three countries meet the essential criteria for monetary union: Denmark (which has the right to opt out), Ireland and Luxembourg. But France, Germany, the Netherlands, and Finland are also expected to make the cut, with Austria and Sweden likely to do so as well. The Commission even suggests that with an extra effort—namely Belgium and Britain—may qualify as well.

Does this amount to any more than whistling in the dark? To judge by present economic trends, the Commission's optimism is questionable. Its detailed economic forecasts this week appear to have benefited from a liberal use of massaging oil.

Account was taken not only of current budget revenues and spending but also the impact of the austerity measures which have been unveiled by a number of governments. There is the swiftness of the spending cuts of 50 billion marks (€21 billion) announced by Chancellor Kohl but which have not yet been

approved by the Bundestag, let alone actually implemented, were factored into the forecasts.

A great deal now rests on the expected European economic upturn on which the forecast average 3.4 per cent growth rate for the EU next year crucially depends. With interest rates and inflation at a long-term low, the scene could be set for a strong recovery.

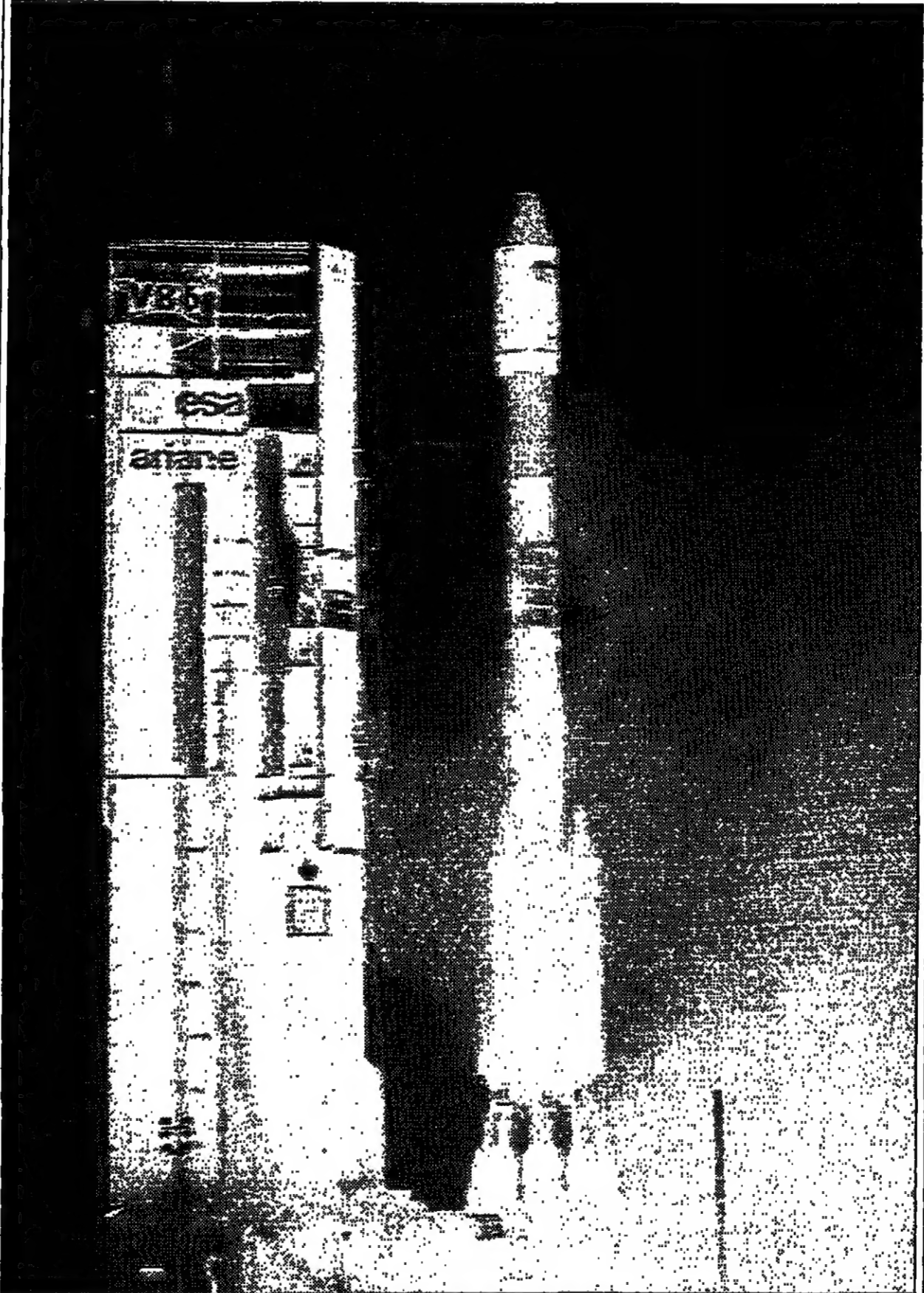
But the Commission itself is uneasy about continuing investor and consumer nervousness and it concedes that popular resistance to budget deficit cuts could yet "add to doubts among some observers as to whether a sufficient number of member states would be ready to participate in EMU at the starting date of January 1, 1999."

Without firm evidence of recovery by the early autumn, or if Chancellor Kohl's drive to cut the German deficit falters, the markets will once again question the entire EMU timetable. But for the present, the market is pricing medium and longer bonds for the core EMU countries on a basis which reflects a deep conviction that monetary union will happen.

Currency dealers fully expect France, and even Germany, to still be on the wrong side of the 3 per cent figure by the end of next year. The treaty, however, explicitly allows a more relaxed view to be taken of a country's readiness to lock its exchange rate than precise performance on budget deficits or government debt. Providing the budget deficit trend of both countries is clearly downwards, they will lead the first wave of EMU countries in 1999.

European monetary union has always been as much a political as an economic project.

It cannot succeed if the core EMU countries fall hopelessly short of the Maastricht treaty reference values. But if they are seen to be on a long-term track to monetary stability, political will is certain to triumph over any theological reading of the treaty's small print.



On the high way... Europe's 86th Ariane rocket, launched from Kourou in French Guiana this week, placed in orbit satellites for Israel and Indonesia. Israel's first commercial satellite is designed to stay in geostationary orbit for 10 years; the Indonesian satellite will provide communications services in South-east Asia and parts of China

Union gloom at Spain's 'slaughter'

Severe financial cuts upset balance, ADELE GOOCH reports from Madrid

THE dismal looks on the faces of the leaders of Spain's main unions as they left their first formal meeting with the country's new conservative prime minister, Jose Maria Aznar, said it all.

"Next time he wants a group photograph he's going to have to offer something in return," said Antonio Gutierrez of the Workers' Commissions.

The message from Mr Aznar had been tough. Spain needs to slash spending in order to lower the budget deficit and qualify for monetary union. If not by 1999, when few analysts believe it can be done, then by 2002.

Mr Aznar's offer to both unions and employers of a "social pact" in which the cutbacks were agreed by consensus, fell on stony ground, although consultations will continue.

One of Mr Aznar's problems is sluggish growth. Unemployment remains stubbornly high at 23 per cent, with 5.6 million people out of work. Spaniards are spending less now than in the eighties boom years, when interest rates were more than double their present level. A revised growth estimate of 2.3 per cent, compared to an anticipated 3 per cent, is particularly bad news.

Mr Aznar has already announced cuts of 200 billion pesetas (just over £1 billion) this year. Not enough, say the Catalan nationalists whose backing put the Popular Party into office. The price paid for that support is one of the factors complicating Mr Aznar's task. He has agreed to let the 17 regional governments collect and spend 30 per cent of income tax, com-

pared to 15 per cent before. That means less in the communal kitty and squeals from poorer areas.

A key figure in the new administration is Jose Saura, a 73-year-old academic, nicknamed Scissors-hands, who has been appointed to run a new budget control office. Mr Saura agrees with the Catalans that further cuts of around 700 billion pesetas are needed.

Government ministers are adamant, however, that benefits are safe. The spending power of pensions, a particularly sensitive issue, will be guaranteed.

Public works are set to suffer, health charges may be introduced and the new education minister, Esperanza Aguirre, known as Spain's Mrs Thatcher, is busy looking to make cuts.

Mr Aznar is also committed to fighting benefits and tax fraud. But, after taking a look at the state accounts, he claimed they were full of black holes and that tax cuts promised in the campaign would have to wait.

He also plans to tackle ailing state industries such as mining and shipbuilding. They are a legacy of the paternalistic, nationalised economy created by General Franco which costs the government 1.5 billion pesetas a year. The new industry minister, a Catalan Jose Pique, plans to privatise the profitable and slaughter the rest. It is these plans, together with others to make labour law more flexible, that arouse the deepest suspicions in the unions.

That could spell trouble. Last year the former socialist government gave up on plans to close shipyards when workers rioted.

Update

□ Copenhagen stock exchange will co-operate or merge with other exchanges in order to survive after 2000, when a common European currency is expected to be in use.

"I don't think we will start introducing a new [electronic] system on our own, so I think the future will be that we have to have a co-operation or maybe a merger with other stock exchanges so we can split the cost," said Lars Johansen, the chief executive of the exchange.

□ The French government is considering the nationalisation of Dassault Aviation as a possible way of pushing through its proposed merger with Aerospaciale, according to Le Figaro.

Both companies have until June 30 to present an outline plan, but Dassault Aviation chairman Serge Dassault is refusing to meet his Aerospaciale counterpart, Louis Galois, the newspaper said.

□ A strike by engineering workers in Norway is threatening components supplies to a number of European car manufacturers. Production of BMW

Update

series 5 and 7 models, for example, could be halted in just over a week's time.

□ Italian prime minister Romano Prodi has given the treasury and budget portfolios to former central banker Carlo Azeglio Ciampi, in a move which opens the way to creating a single economics ministry, political sources said yesterday.

European Business is edited by Mark Miller

Daimler-Benz chief's sorry state may not mollify investors

Denis Staunton in Berlin

DAIMLER-BENZ chief executive Juergen Schrempf will have a lot of explaining to do when he faces angry shareholders at his company's annual meeting in Stuttgart on Wednesday.

Europe's biggest industrial company made a record loss of DM5.7 billion (€2.5 billion) last year and, for the first time in 45 years, shareholders did not receive a penny in dividends.

A group of small shareholders filed a motion blaming Mr Schrempf and his management colleagues, and the three big German banks, Deutsche Bank, Dresdner and Commerzbank, have taken the unusual step of asking their depositors how they should vote on the issue.

If the Daimler-Benz management is held responsible for the losses, disappointed shareholders could seek retribution through the courts.

Mr Schrempf, who started

in Daimler-Benz as an apprentice on the factory floor, cultivates a macho image, smoking 70 Marlboro a day and putting away impressive quantities of wine and beer.

He has lost no time in overturning his predecessor Edward Reuter's most cherished plans, including many Mr Schrempf helped to formulate.

Mr Schrempf will outline his own vision next Wednesday, based on the concept of "shareholder value", making

the company's value on the stock exchange its top priority. It is a controversial concept in Germany, where post-war economic success has been based on a consensus between industry, trade unions and government.

"I don't have much time for Germany any more," Mr Schrempf was quoted as saying in a German newspaper last week. His rhetoric has already boosted Daimler-Benz's share price, but many Germans fear that "shareholder value" will cost thousands of their fellow citizens their jobs.

When Mr Schrempf announced his company's withdrawal from Fokker after sustaining massive losses, he admitted that he was to blame for the original decision to invest.

His star has risen steadily since then, boosted by a sympathetic business press in Germany and abroad. According to the current edition of the weekly newspaper Die Zeit, he can hardly believe his luck.

"I'm the first boss who squandered DM2.3 billion and then said without beating around the bush 'it was all my fault'," he boasted. "While other managers are sacked for DM50 million, I'm still here."

Montedison rejects call to stop playing Italy's whole in one game

John Glover in Milan

WHAT is there in common between Erdania, a huge Paris-based agriculture firm; Edison, an Italian electricity generating company; Antibiotics, a Spanish pharmaceutical operation; a 50 per cent stake in Montell, one of the world's biggest plastics producers; and a plant engineering firm and a gaggle of minor chemicals interests?

These are the main businesses of Montedison, a Milan-based conglomerate that this week rejected a break-up proposal from its second-largest shareholder.

True to the Italian tradition of baroque corporate structures, Montedison is a holding company that is itself held by another company. This is Ferruzzi Finanziaria, which in 1983 collapsed under its £12 billion debt and had to be rescued by its banks. As well as 32.3 per cent of Montedison, Ferruzzi owns a controlling stake in a large insurer.

In a letter leaked to the press this week, Luca Padullini, who owns 4 per cent of Montedison, criticised the company's lack of a clear strategy

and its image as a chemicals concern; the lack of transparency in the relationship between Ferruzzi and Montedison; and the company's share price performance.

This year the holding company has seen its share price fall by about a fifth. The Milan market is up; the share prices of Edison, which has a lucrative supply contract with the national electricity utility, and of Erdania have soared.

Mr Padullini bought his stake in 1983 after the group's meltdown. He works through a Gibraltar-based company, Code-Lon, with offices in London.

In his letter, Mr Padullini claimed he had the backing of 19 per cent of the company's capital, held mostly by foreign investors. That is hardly enough, however, to take on Ferruzzi and his allies at Mediocredito, the Milan investment bank that was behind the creation of Montedison in the 1960s and is still a shareholder.

Montedison's structure represents "a balanced portfolio of activities offering numerous opportunities for development", managing director Enrico Biondi told analysts after publication of the letter.

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Finance Guardian

An industry fuelled by its growth obsession is planning to take rail under its wing. KEITH HARPER and MARK MILNER report



Soft landing... British Airways' dominant presence at Heathrow gives it a cost advantage but Britain's cumbersome planning procedures are delaying urgently sought expansion

PHOTOGRAPH: DAVID SILLITOE

Airlines broaden their horizons

THE world is shrinking, but not fast enough for its biggest airlines. Check in at Heathrow and you can fly to Little Rock and Charlotteville or 200 other US destinations under British Airways' code-share arrangements with its American partner, USAir.

drop in custom for his airline's service between the two capitals. BM cannot afford a public display of handwringing. Events are moving too fast for that. So it is attempting to grab at least one slice of the action, by talking with Richard Branson, a member of the Channel rail service operating consortium, about ticket-sharing on Eurostar. The time is fast approaching when passengers can choose whatever method of travel suits them best: flying to Paris and catching the train back, for example.

Moreover, lengthy planning procedures for the approval of new airports are frustrating the airlines. A decision is awaited on a second runway for Manchester, and the Terminal 5 inquiry at Heathrow will drag on for more than another year, with no decision expected this side of the millennium. Meanwhile, global air traffic will double. So it is natural for airlines to be looking to rail to enhance their position as mould-breakers in the travel industry.

It has stolen a march on its rivals in Europe by taking stakes of just under 50 per cent in Deutsche BA and TAT European Airlines of France, but the operations have still to show a profit, partly because of the 40 per cent mark-up required to operate in some parts of Europe. Heathrow boasts some of the cheapest landing charges in the world, and BA is fortunate to be dominating it.

European rivalry brings extra turbulence WHILE Europe's flag carriers prepare to meet the challenges presented by growing globalisation of the airline industry, many are seeking simultaneously to set their own houses in order. Competition within the European Union is already on the increase, thanks to the likes of British Midland, EasyJet and Euro Belgian Airlines, now renamed Virgin Express. British Airways has taken the battle to other domestic markets with Deutsche BA in Germany and TAT in France.

pean Commission, which recently approved a state aid package for Spain's Iberia - but attached some strings. Air France is letting it be known that it would like to be privatised, with late 1997 or 1998 emerging as possible dates. The French carrier is, however, facing double trouble. KLM, Lufthansa and SAS have complained to the European Commission that Air France is using state aid not for restructuring but to help it undercut other carriers' fares.

advantages. Apart from Atlanta, it operates five large hubs in the US at Dallas/Fort Worth, Cincinnati, Salt Lake City, Los Angeles and Orlando. And it has a Pacific hub at Portland, Oregon, part of the American hinterland where BA is weak. It also operates more than 2,500 flights each day to 197 cities in 25 countries. The growth of airline alliances means that British carriers like BA, Virgin and British Midland must always be searching for new partners. BA envisages the time when the number of global players will be as few as three, one for each global power base.

So when Bob Ayling, BA's chief executive, stands up on Monday to deliver a healthy annual report, it will be against a background of a market that is even more competitive than before. It would be ironic if companies like BA saw rail as one way of increasing passenger usage on journeys of between two and three hours. BA has just cancelled a \$1 billion order for 60 regional jet aircraft because it is concerned about poorly performing non-core operations at Birmingham, Manchester, and Glasgow. Revitalising rail may not be the entire answer, but it may well be part of it.

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The real rights issues
Roger Cowe
STRANGE noises yesterday from the vicinity of Heathrow airport: the sound of lips being smacked and hands rubbed as deputy prime minister Michael Heseltine led a planeload of top British business people on a selling spree to China. To many, this is the last frontier, the wild east where cunning prospectors can find gold just by signing the right contract. And, after the millennium, the world's biggest economy. Prospects for British companies have been given a fillip by the trade spat between China and the US, but with a population of 1.2 billion, there's enough business for everyone. From beer bottles to prescription drugs, talking in telecoms, textiles and transport, the Chinese want to buy what the West has on offer.

Quick Crossword No. 8129
Across
1 Class (8)
5 Stuff (4)
9 Play (5)
10 Bridge over land (7)
11 Presidency (12)
13 Characterise (6)
14 "Hero" of "Measure for Measure" (5)
17 Smallest British rodent (7,5)
20 Sound that may be stolen (7)
21 Flower (5)
22 Noblemen or equal (4)
23 Intrepid (8)
Down
1 Give up (4)
2 Cafe (paradoxical?) (7)
3 Rochdale's celebrity (5,6)
4 Patch up or renovate (5)
6 Urgent or approximative (5)
7 Figure of speech (8)
8 Expensive soldiers (6,6)
12 Where there was room in Braine's novel (2,3,3)
15 Private bathroom (2,5)
16 Have no food (6)
18 Awaken (5)
19 Voters in favour (4)
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